



2017 ADOPTED BUDGET

THE 2017 ADOPTED BUDGET
CITY OF LAKE STEVENS

ELECTED OFFICIALS

MAYOR-----JOHN SPENCER
COUNCIL PRESIDENT----- SAM LOW
COUNCIL VICE-PRESIDENT-----TODD WLECH
COUNCILMEMBER----- KURT HILT
COUNCILMEMBER-----KIM DAUGHTRY
COUNCILMEMBER-----MARCUS TAGEANT
COUNCILMEMBER ----- KATHY HOLDER
COUNCILMEMBER----- RAUCHEL MCDANIEL



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CITY OF LAKE STEVENS

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MAYORS BUDGET MESSAGE

December 13th, 2016

Honorable City Council:

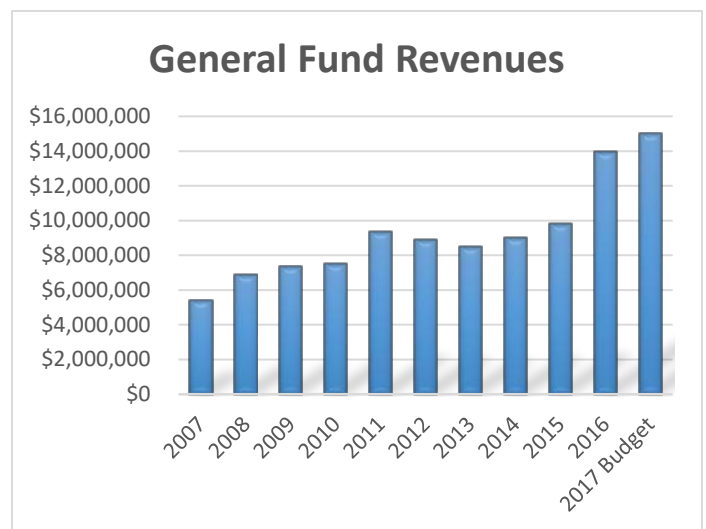
I am very pleased to submit to the Council a proposed budget for 2017, making wise use of reserves to invest in needed infrastructure and adding staff to maintain service levels while preserving healthy reserve balances. Our General Fund reserve will be \$3.0m or 20% of revenues forecast to 2024, significantly greater than the council adopted policy of 10% reserve. This budget responds to the needs of a city that has grown 10.1% between 2011 and 2016, the fastest growing city in Snohomish County, forecast to continue growing at a pace near 2% annually. During 2016 the city added staffing to address major gaps in department staffing, as a result, this budget proposes limited staff additions and only major equipment purchases critical to maintaining service.

REVENUE OVERVIEW

Lake Stevens is in a healthy financial condition. Our revenues from sales taxes have continued as forecast despite the loss of major retailers in the city. Property tax revenues have remained stable with a substantial increase in assessed value due to the very large increase in residential building in the city. Real estate excise tax revenue has grown substantially over the forecast for 2016 and revenue from other miscellaneous sources has met our expectations for 2016. Overall, this positive revenue picture is expected to remain stable over the next 5 years and longer allowing Lake Stevens to improve services and address infrastructure requirements. Yearend estimated reserve balances, going into 2017 are: General fund \$8,024,514 plus \$1,760,154 in Contingency funds, Street fund \$3,066,028, Stormwater fund \$1,789,449. These reserves are at or above our stated policy standard of a 10% reserve for each fund.

We now have a working revenue forecast model that has added significant strength to our ability to plan and manage our budget. For 2017, the general assumptions used to forecast revenue are:

1. Sales taxes are estimated to increase by 10% due to construction related receipts
2. A decrease in both Building and Subdivision Permit revenues, as well as small decrease in Real Estate Excise Taxes
3. Elimination of Utility Tax allocation to the Street Fund
4. Addition of a Transportation Benefit District



Graph 1: General Fund Revenues

BUDGET IN BRIEF

In an environment of unprecedented growth this proposed budget addresses the priorities of; improving public safety, investing in infrastructure to encourage economic development particularly commercial/industrial growth, improving parks including the new Cavelero Skateboard park, improving mobility, and preparing for the revitalization of the Lake Stevens Downtown area. Within these priorities are 4 very large capital projects included in our revenue and expense forecast: 1. Construction

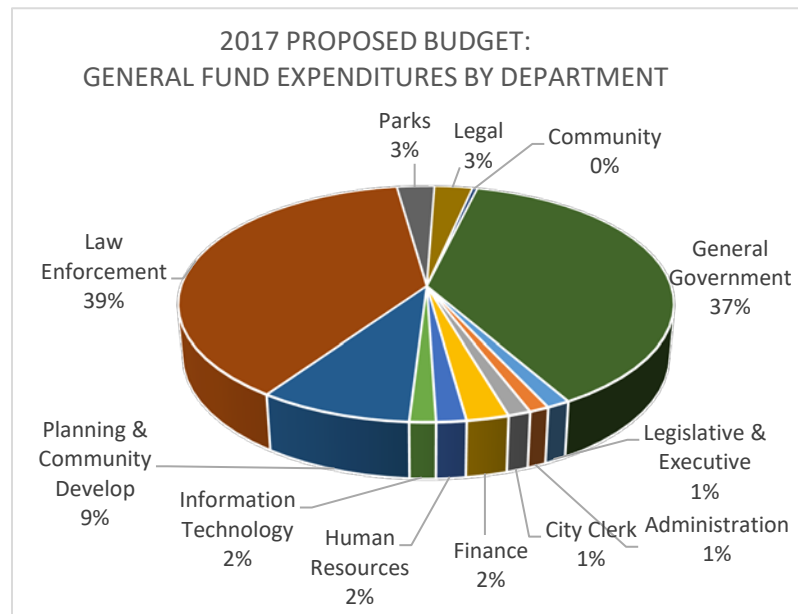
of new civic facilities to house city hall staff and a new police station, 2. Construction of Cavelero Skateboard Park including extension of 79th street with parking to serve the new park, 3. Removal of the current city hall facilities at North Cove Park and incorporation of park amenities and 4. Removal of the defunct aerator from the lake.

We will continue to address mobility within our street fund, with major planning to be done in conjunction with WSDOT's Highway 9 and 204 intersection project and the IJR addressing the East Merge on to Highway 2 Trestle. We are currently waiting to hear decisions on our request for Safe School Sidewalks, expected in November or December and we have applied for a mobility grant from the state to assist in funding the "jump start" for an HOV lane for east bound trestle traffic. In addition, we will be moving forward to surplus property owned by the city on 20th Street SE.

During 2017, we expect to report to Council on the feasibility of adding a west bound HOV lane to 20th Street SE that would flow onto the "at-grade" road parallel and below the Trestle. Additional investments are planned to address congestion and safety at numerous intersections particularly 91st Ave. NE and Market Place, Vernon Road and 91st Ave. NE (pending receipt of traffic mitigation fees), Lake View Drive at SR 92 turn lanes, and completion of a walkway-bike "share-all" along South Lake Stevens Road from Davies to East Lake Shore Drive.

The general assumptions used to forecast expenses are:

1. Salaries are increasing by negotiated COLA amounts for represented staff members and 2% for non-represented staff
2. Medical Benefits are estimated to increase by 5% - 10% depending on plan
3. Travel and Training budgets have been increased to ensure continued education and advancement



Graph 2: 2017 Approved Budget-General Fund Expenditures by Department

Key position requests of this proposed budget include:

1. Adding one new staff person and associated equipment in the Lake Stevens Police Department for traffic control.
2. Adding an administrative supervisor staff position to the Lake Stevens Police Department to allow the Administrative Manager to focus on policy and accreditation as well as overall planning and scheduling of the department.
3. Adding two new staff positions to the Public Works Crews to sustain maintenance service levels
4. Adding an engineering technician to the Public Works engineering team to allow senior engineers to focus on major projects
5. Adding a project administrator that will support staff across Administration, HR, PW, and Planning Departments to address increasing work- loads and improve communications.

6. Addition of two officers in the Police Department pending outcome of a grant from the State of Washington under the Community Oriented Policing Services program.

Major equipment purchases proposed in this budget include:

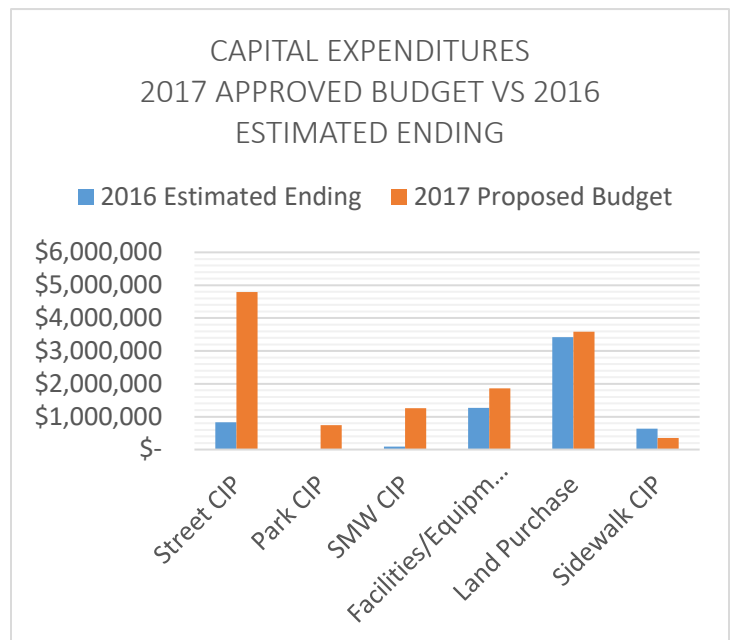
1. Street sweeper to replace outdated unit.
2. Replacement Crane Truck
3. Replacement Flatbed Truck
4. Lawn aerator to assist with the maintenance of our parks
5. Replacement of 6 police department vehicles

Major capital and infrastructure projects include:

1. Eagle Ridge park improvements
2. Roundabout at 91st Ave NE & Market Pl.
3. Callow Road Embankment Failure project
4. South Lake Stevens Road shoulder widening
5. Removal of the defunct aerator
6. Remodel of the Public Works shop offices and lunch room
7. Thermoplastic roadway marking project
8. 24th Street Design
9. Trestle/HOV lane
10. 20th ST SE Design/Planning
11. 79th Ave SE Access Road
12. City Hall Temporary Facility
13. Regional Storm Pond
14. Cavelero Skate park
15. Street Overlay project

Sidewalk projects include:

1. Safer Routes to School – 91st/4th
2. Cedar Road – Forest Road to 29th
3. Lundeen Parkway – Lake to Callow Road
4. 117th Ave NE – 22nd St. to 26th St.



Graph 3: Capital Expenditures – 2017 Proposed Budget vs 2016 Estimated Ending

POLICY CHOICES

There are several important policy choices for the Council to make in this proposed budget:

Civic Facilities - The most significant is the funding approach included in this budget for construction of a New City Hall and Police Department building(s). Included in the revenue and expense forecast is debt service payments for an estimated \$10,000,000 bond issue beginning in 2018. Not yet included in the 2017 budget is the upfront cash capital to be used for the planning of the project. This cash capital will be budgeted from the contingency reserve fund. While we do not expect to issue bonds for these new facilities in 2017, setting aside funds to cover the debt service requirements for such a bond is a clear policy statement of intent to proceed with these projects. A preliminary cost estimate of \$1,000,000 for the temporary city hall facilities has been added to the updated budget.

The total capital required for these buildings is based on a preliminary pro forma budget that will be refined and presented to Council in early 2017 as part of our partnership work with Sno-Isle Libraries.

Utility Tax Revenue - A second policy choice is to end the practice of allocating revenue from the city's electric utility tax to the street fund and place that revenue, approximately \$390,000.00/yr into the General Fund. Deposit of revenue from this tax into the General Fund is a commonly accepted practice. Lake Stevens' practice of depositing this in Street fund, while not illegal, is unique.

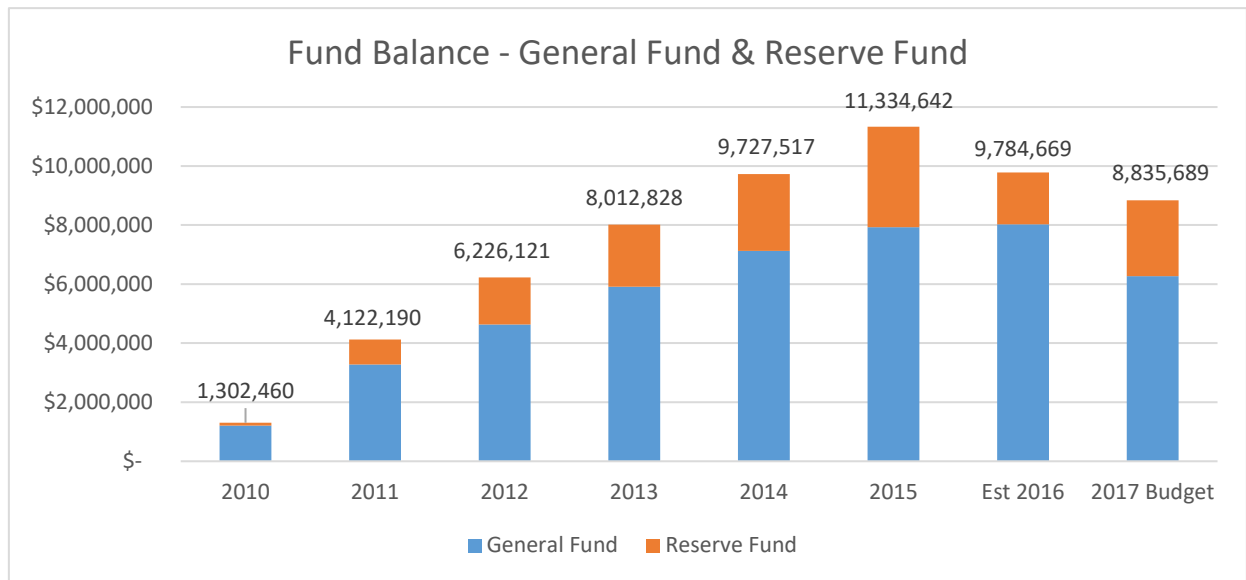
Rehabilitation and Repair - A third policy choice is to transfer the expense of rehabilitation and repair projects (R&R), mainly street work, as an expense in the street fund to an expense charge against the Real Estate Excise Tax fund. This is an acceptable accounting practice and from a policy perspective makes sense as much of our R&R on streets is due directly to the increase in traffic from real estate growth. The Real Estate Excise Tax revenue is forecast to decrease over the next few years, then remain fairly consistent in the long-term, significantly less than the break-neck pace experienced in 2016.

Transportation Benefit District - This policy choice is to implement a Transportation Benefit District using the \$20.00 per car tab method authorized for municipalities in state law. Revenue from a TBD are estimated to be \$435,000/Yr. (based on current city population). Revenue from the TBD will be used to fund priority side-walk projects in conjunction with safe-school walkway grants or other grants and priority street and intersection improvements in support of economic development goals. Projects to be funded using TBD funds will be separately authorized by the Council to maintain a "clear line-of-sight" from this revenue to priority projects. The TBD proposal is intended to improve our ability to address mobility in Lake Stevens.

Senior Center Funding – This policy choice is to make a financial contribute to the Lake Stevens Senior Center in the amount of \$20,000. Ultimately, the Senior Center would like to hire an Executive Director and become self-sufficient. This funding request would assist in the payment of utilities, equipment repair, and janitorial services. Human Services funding has been provided on an application basis in the past, yet has not been included in the budget since 2011.

Snohomish Health District Contribution – This policy choice is to contribute \$1.00 per resident to the Snohomish Health District. That would mean an annual contribution of about \$30,000. The Health District is asking the same \$1.00 per head of all of the other cities in the county. Snohomish County ranks 34th out of 35 counties in Washington State when it comes to funding public health. The district is currently using reserves to balance its budget, and does not have any taxing authority. The Health District wants to have relationships with the cities it serves, and plans to offer programs that are tailored to each specific city making a contribution.

Body Cameras – Earlier this year the Council took action to authorize the acquisition of body cameras for Lake Stevens' officers. The action taken last spring allowed Lake Stevens to avoid some of the projected FOI requirements that would otherwise be required had Lake Stevens not taken the action this spring. The body cameras were tested, but have not yet been purchased. At this time, we have removed body cameras from the budget, and intend to discuss with Council the additional staff and administrative cost associated with a body camera program for records retention, redacting of videos and responding to FOI requests. Chief John Dyer has recommended postponing this program until additional information has been gathered. He will be reviewing the program guidelines, conferring with our officers, as well as other jurisdictions, and will bring his finding to Council in the future. The policy choice is to decide whether to continue with a body camera program or postpone/cancel the program.



Graph 4: General Fund: Multi-year Fund Balance Comparison

Property Tax: Ordinance Substantial Need – This policy choice is to levy the full 1% increase in property tax or bank the capacity for future use. As of September 25, 2016, the rate of inflation on the implicit price deflator (IPD) for personal consumption expenditures over the past 12 months is 0.953%, which means the City of Lake Stevens will have to pass an ordinance of “substantial need” in order to levy the full 1% increase as allowed by statute or bank this capacity for future use. The difference between the 0.953% and the 1% equates to approximately \$2,000. This is the second year in a row and the third time in the past eight years that the inflation rate has fallen below one percent. The City did not pass the ordinance of substantial need in 2015 but has in past years.

HIGHLIGHTS

With these policy choices, we will be able to advance our economic development, mobility, parks and recreation and public safety goals. The highlights are:

Transportation

The big focus for transportation will be on the: SR 9/SR 204 system design development with a potential for early action improvements to the access at SR 9 and 4th Street NE; the second major focus will be on the US 2 Interchange Justification Report (IJR). This report will evaluate short and long term solutions for safety and congestion at the east end merge including the potential for early action HOV Trestle Jump Start. The last major transportation project is to define potential for accelerating funding for 20th Street SE Phase 2 completion within 6 years.

A long term strategy plan will be developed in 2017 that will look at dealing with congestion choke points throughout the City.

Funds will be sought for the replacement of the 36th Street NE Bridge. This bridge is a critical link in the City’s backbone arterial network and required emergency repairs this year.

South Lake Stevens, between North Davies to East Lakeshore, is proposed to be completed in 2017. With this project, the City will have a paved non-motorized shoulder that will provide a continuous route from downtown around the north, west, and south of the lake. Other sidewalks which grant funding is

being sought are: 91st Avenue SE and 4th Street SE to complete a pedestrian sidewalk from Lake Stevens Center to Hillcrest Elementary School; Cedar Road and 113th Avenue to provide connections to the High School to the north; and Lundeen Parkway to completed the concrete sidewalk between the Eagle Roundabout and Lundeen Park.

In 2016 the City performed complete pavement evaluation review of every road within the City. The findings showed that with the City's current practice of investing \$400,000 is adequate. This coming year, the proposed candidate streets will follow this plan.

Downtown sub-area revitalization – Removal of the existing City Hall and Planning Center along with a financial commitment to move forward with new facilities will begin the long overdue process to revitalize North Cove Park and bring new energy and investment into the Lake Stevens Downtown area.

Public Safety – Adding two additional officers to the force in 2017 pending grant funding will bring the total commissioned PD staffing to 30 and improve our ability to enforce traffic laws and respond to incidents throughout the city. This staffing increase will require the city to fully fund these positions in two year which is timely with respect to annexations planned for this year and next.

Parks – Completion of the Cavelero Skateboard Park, improve Eagle Ridge Park, and upgrade of North Cove Park with additional land and access associated with removal of the current City Hall and Planning buildings.

Economic Development – Invest in marketing, recruitment, and infrastructure strategies that will secure development partners to address the current retail leakage in Lake Stevens.

SUMMARY

Lake Stevens is not only experiencing significant growth but, like all cities, is having to recover from underspending on critical services during the 2008-12 recession. We are now addressing the needs of growth at the same time meeting many unmet needs. To do this, we are taking advantage of our healthy reserves and positive revenue forecast to position the city for the future. All our city staff have responded over the last year with incredible enthusiasm and effort to provide important public services across all sectors; police, public works, planning and administration. With this budget your staff and I will continue to dedicate our efforts to improving service levels

It has been a great pleasure to work with this staff and enjoy the incredible support provided by the Lake Stevens City Council. I hope that you are hearing, as I am, all the positive comments about what the city has done to: *make Lake Stevens an even better place to live and raise families*. My hope is that one day our economic development efforts will allow us to include "work" for a large number of residences in that phrase.

I look forward to reviewing this budget with you and addressing policy choices.

Thank you,



John Spencer
Mayor

Lake Stevens Vision Statement:

Provide outstanding municipal services to support the physical and social wellbeing of the community of Lake Stevens.

Lake Stevens Mission Statement:

To create a beautiful and functional community by being a caring, committed, and trusted provider of municipal services

Lake Stevens Values:

- **Integrity:** Promoting Honesty and professional ethics
- **Respect:** Caring about customers and employees being trustworthy and openly trust others
- **Service:** Providing excellent service, responsive to customer needs
- **Creativity:** Encouraging entrepreneurial spirit within the organization
- **Partnership:** Creating a team atmosphere both inside and outside the organization.

One Community Around the Lake



View of Lake Stevens and Mount Pilchuck

Since settling in 1886, Lake Stevens has been home to families who set their sights on pioneering a better way of life for western Washington and beyond. Surrounding one of the region's most coveted recreational lakes, the City of Lake Stevens has emerged as one of the most desirable places in the state to call home.

Just 10 minutes east of Everett, and 34 minutes from downtown Seattle, Lake Stevens is home to hardworking families and retirees. Our growth is outpacing the rest of Snohomish County. In 2016 we had more than 31,000 residents and forecast that by 2035 Lake Stevens will experience 40% growth to exceed a population of 40,000.

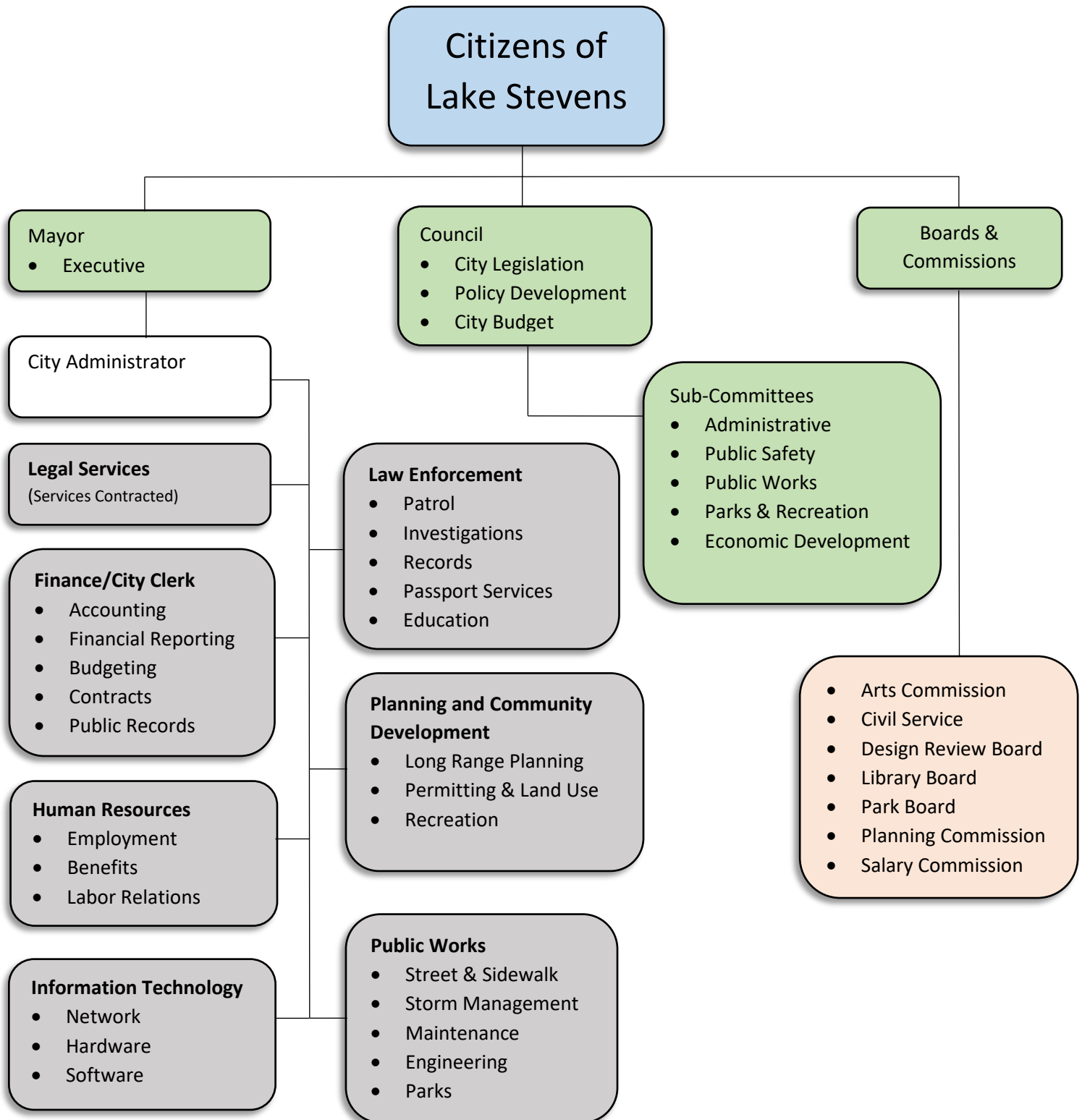
Here are some of the reasons people like to call Lake Stevens home:

- NerdWallet ranked Lake Stevens fourth in the Best Small Cities for Families in the Western Region
- Washington State Board of Education Achievement Index shows that Lake Stevens School District consistently outperforms its neighbors
- Lake Stevens is the largest lake in Snohomish County that provides year-round recreational opportunities for our residents and tourists
- Located on the Centennial Trail, Lake Stevens is a gateway destination for cyclists.

Lake Stevens' government operates under the mayor-council system. The City's motto "One Community Around the Lake" embodies its quality of life, top-ranked school district, and City Council's commitment to providing excellent services and amenities for its citizens.



Cavelero Mid High School



CITY OF LAKE STEVENS
LAKE STEVENS, WASHINGTON

ORDINANCE NO. 975

AN ORDINANCE ADOPTING THE BUDGET FOR THE CITY OF LAKE STEVENS,
WASHINGTON, FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2017

WHEREAS, the Mayor of the City of Lake Stevens, Washington completed and placed on file with the City Clerk a proposed budget and estimate of the amount of the moneys required to meet the public expenses including salaries and benefits of City employees, bond retirement and interest, reserve funds and expenses of government of said City for the fiscal year ending December 31, 2017, and a notice was published that the Council of said City would meet for the purpose of making a budget for said fiscal year and giving taxpayers within the limits of said City an opportunity to be heard upon said budget, and

WHEREAS, the said City Council did meet at said time and place and did then consider the matter of said proposed budget; and

WHEREAS, notices were published in the official newspaper of the City, that the Council of said City would meet on the 8th day of November and the 13th day of December, 2016, at the hour of 7:00 P.M., at the City Council Chambers in the Lake Stevens School District Educational Service Center of said City for the purpose of receiving public testimony in a public hearing as to the matter of said proposed budget; and

WHEREAS, the said City Council did meet at said dates, times, and place and did receive public testimony during a public hearing as to the matter of said proposed budget; and

WHEREAS, the said proposed budget does not exceed the lawful limit of taxation allowed by law to be levied on the property within the City of Lake Stevens for the purposes set forth in said budget, and the estimated expenditures set forth in said budget being all necessary to carry on the government of said City for said year and being sufficient to meet the various needs of said City during said period.

NOW, THEREFORE, the City Council of the City of Lake Stevens do ordain as follows:

Section 1. The budget for the City of Lake Stevens, Washington, for the year 2017 is hereby adopted in its final form and content as set forth in the document entitled City of Lake Stevens 2017 Annual Budget, 1 copy of which is on file in the Office of the Clerk.

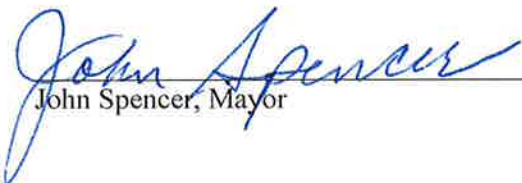
Section 2. Totals for all such funds combined, for the year 2017 are set forth in summary form below, and are hereby appropriated for expenditure during the year 2017 as set forth below:

Fund #	Fund Name	Estimated Bal.	Beg. Resources	Expenditures	End. Bal.
001	General	\$ 8,024,514	\$ 15,017,571	\$ 16,766,100	\$ 6,275,985
002	Contingency Reserve	\$ 1,760,154	\$ 807,600	\$ 8,050	\$ 2,559,704
101	Street	\$ 3,066,028	\$ 2,162,672	\$ 3,010,225	\$ 2,218,475
103	Street Reserve	\$ 1,531	\$ 5	\$ -	\$ 1,536
111	Drug Seizure & Forfeiture	\$ 47,079	\$ 10,120	\$ 41,000	\$ 16,199
112	Municipal Arts Fund	\$ 11,385	\$ 20	\$ -	\$ 11,405
210	2008 Bonds	\$ -	\$ 354,395	\$ 354,395	\$ -
212	2010 LTGO Bonds	\$ -	\$ 74,165	\$ 74,165	\$ -
213	2015 LTGO Bond	\$ -	\$ 93,908	\$ 93,908	\$ -
301	Cap. Proj.-Dev. Contrib.	\$ 5,584,440	\$ 1,616,580	\$ 2,733,500	\$ 4,467,520
303	Cap. Imp.-REET	\$ 1,718,073	\$ 602,500	\$ 1,136,897	\$ 1,183,676
304	Cap. Improvements	\$ 2,751,717	\$ 607,000	\$ 2,681,415	\$ 677,302
309	Sidewalk Capital Project	\$ 1,009,888	\$ 251,500	\$ 350,000	\$ 911,388
401	Sewer	\$ 288,138	\$ 1,336,782	\$ 1,335,295	\$ 289,625
410	Storm and Surface Water	\$ 1,789,449	\$ 1,514,820	\$ 2,176,424	\$ 1,127,845
501	Unemployment	\$ 96,915	\$ 300	\$ 30,000	\$ 67,215
510	Equipment Fund	\$ 272,252	\$ 152,817	\$ 267,000	\$ 158,069
515	Equipment Fund - Vehicles	\$ -	\$ 10,000	\$ -	\$ 10,000
520	Equipment Fund-Police	\$ 283,135	\$ 196,700	\$ 266,000	\$ 213,835
530	Equipment Fund-PW	\$ 264,014	\$ 838,200	\$ 637,500	\$ 464,714
540	Aerator Equipment Repl.	\$ 129,871	\$ 170,143	\$ 300,000	\$ 14
621	Refundable Deposits	\$ -	\$ 61,000	\$ 61,000	\$ -
633	Treasurer's Trust	\$ -	\$ 200,000	\$ 200,000	\$ -
Total		\$ 27,098,583	\$ 26,078,798	\$ 32,522,873	\$ 20,654,508

Section 3. The City Clerk is directed to transmit a certified copy of the budget hereby adopted to the Division of Municipal Corporations in the Office of the State Auditor and to the Association of Washington Cities.

Section 4. A summary of this ordinance consisting of the title shall be published in the official City newspaper. This ordinance shall take effect and be in full force five (5) days after publication.

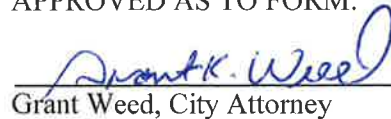
PASSED BY THE CITY COUNCIL OF THE CITY OF LAKE STEVENS this 13th day of December, 2016.


John Spencer, Mayor

ATTEST:


Kathy Pugh, Deputy City Clerk

APPROVED AS TO FORM:

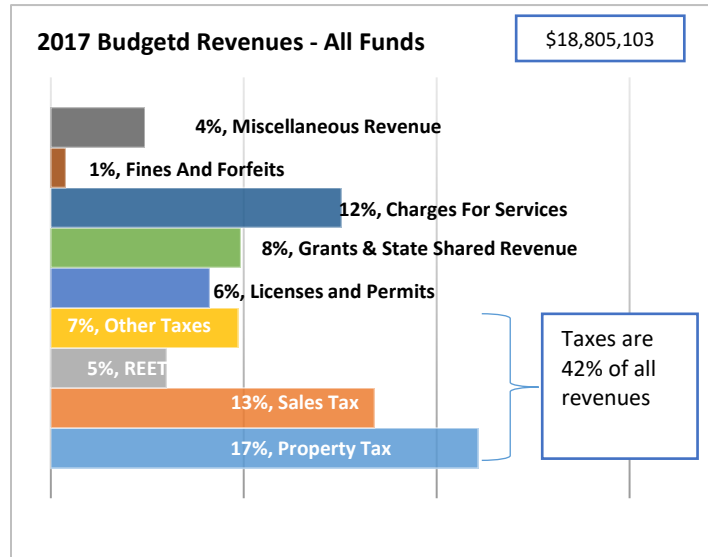

Grant Weed, City Attorney

First Reading: November 8, 2016
Second Reading: December 13, 2016
Final Reading: December 13, 2016
Effective: December 20, 2016

Published 12/16/2016

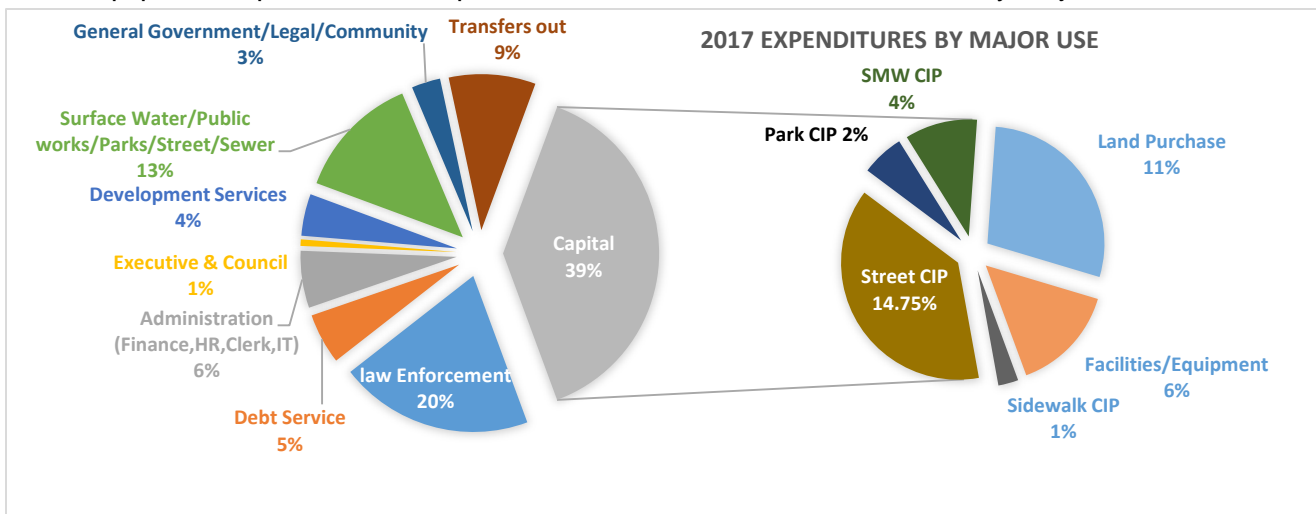
The 2017 Budget includes total budgeted expenditures of \$32.5 million and total budgeted revenues of \$26 million. The operating funds of the City of Lake Stevens are the General Fund, Street Fund, and Storm/Surface Water Fund. The City will begin 2017 with a total fund balance of \$27.9 million, which is higher than originally budgeted. Over the past 6 years, the City has been conservative through the hard economic times and has maintained a healthy fund balance. The City is poised to make some major capital policy decisions in 2017 and beyond.

The budget includes \$18.8 million in revenues and other financing sources of \$7.2 million. The City's largest source of revenue comes from taxes at \$10.9 million, followed by charges for services. Revenue received for charges for services comes primarily from permit fees, park and traffic impact fees, and surface water assessments. Other financing sources are made up primarily of transfers from other funds, sale of bonds, and the sale of capital assets. This \$7.2 million budgeted other financing sources, includes \$3.59 million estimated for the sale of the grade road property.



Graph x: 2017 Budgeted Revenues (excludes transfers)

The budgeted \$32.5 million in expenditures includes transfers of \$2.9 million, and leaves an ending fund balance of \$20.1 million. The General Fund has budgeted expenditures of \$16.8 million while the Street Fund and Storm/Surface Water fund have total budgeted expenditures of \$3 million and \$2.2 million respectfully. A total of \$12.5 million is budgeted for capital projects and equipment replacements. Expenditures for all funds are summarized by major use below.



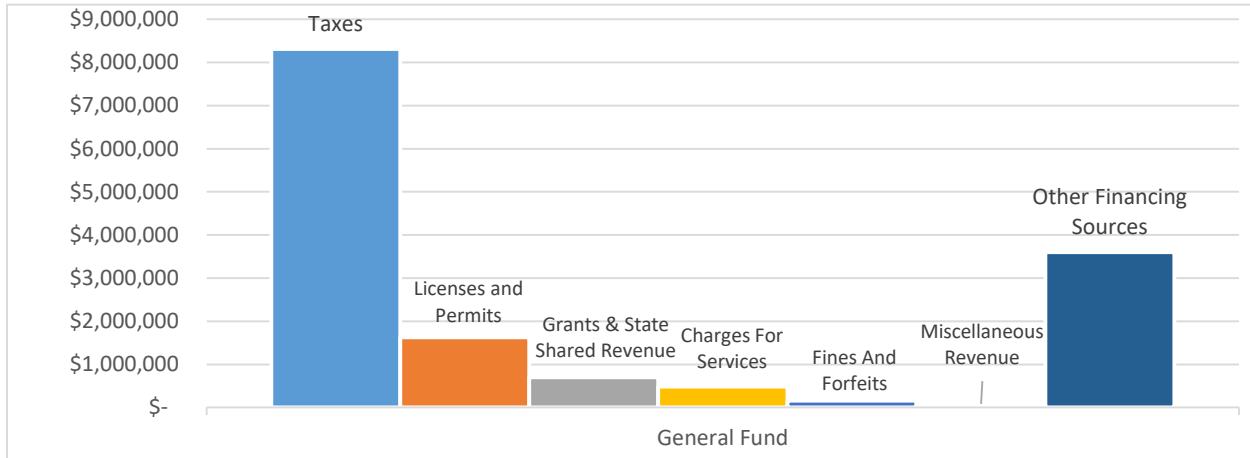
City of Lake Stevens, Washington
Revenue Summary

**2017 Adopted Budget
All Funds
Summary of Revenues**

Fund Name	2016 Budgeted Revenues	2016 Actual Revenues	2017 Budgeted Revenues	% Change (2016 Budget vs. 2017 Budget)	% Change (2016 Actual vs. 2017 Budget)
General Fund	\$13,461,367	\$13,993,968	\$15,017,571	12%	7%
Reserve Fund	\$814,500	\$813,173	\$807,600	-1%	-1%
Street	\$2,298,013	\$2,320,850	\$2,162,672	-6%	-7%
Street Reserve	\$2	\$7	\$5	150%	-23%
Drug Seizure & Forfeiture Fund	\$10,050	\$11,167	\$10,120	1%	-9%
Municipal Arts Fund	\$50	\$49	\$20	-60%	-59%
2008 Bonds	\$353,268	\$353,268	\$354,395	0%	0%
2010 LTGO Bonds	\$74,166	\$74,164	\$74,165	0%	0%
LTGO Bond 2015	\$97,600	\$97,301	\$93,908	-4%	-3%
Cap. Proj.-Dev. Contrib.	\$1,369,152	\$1,704,612	\$1,616,580	18%	-5%
Cap. Imp.-REET	\$728,900	\$1,142,247	\$602,500	-17%	-47%
Cap. Improvements	\$736,000	\$1,148,135	\$607,000	-18%	-47%
Sidewalk Capital Project	\$1,226,000	\$953,995	\$251,500	-79%	-74%
Sewer	\$1,392,826	\$1,382,300	\$1,336,782	-4%	-3%
Storm and Surface Water	\$1,518,096	\$1,462,653	\$1,514,820	0%	4%
Unemployment	\$200	\$431	\$300	50%	-30%
Equipment Fund - Computers	\$153,317	\$153,294	\$152,817	0%	0%
Equipment Fund - Vehicles	\$0	\$0	\$10,000	0%	0%
Equipment Fund-Police	\$207,200	\$203,956	\$196,700	-5%	-4%
Equipment Fund-PW	\$337,180	\$331,015	\$838,200	149%	153%
Aerator Equipment Replacement	\$10,525	\$10,558	\$170,143	1517%	1512%
Refundable Deposits	\$61,000	\$26,994	\$61,000	0%	126%
Treasurer's Trust	\$200,000	\$178,650	\$200,000	0%	12%
Total All Funds	\$25,049,412	\$26,362,784	\$26,078,798	4%	-32%

General Fund Revenue

The General Fund has a beginning fund balance of \$8.8 million, which is more than originally budgeted. The budgeted revenues for 2017 are \$15 million as summarized below.

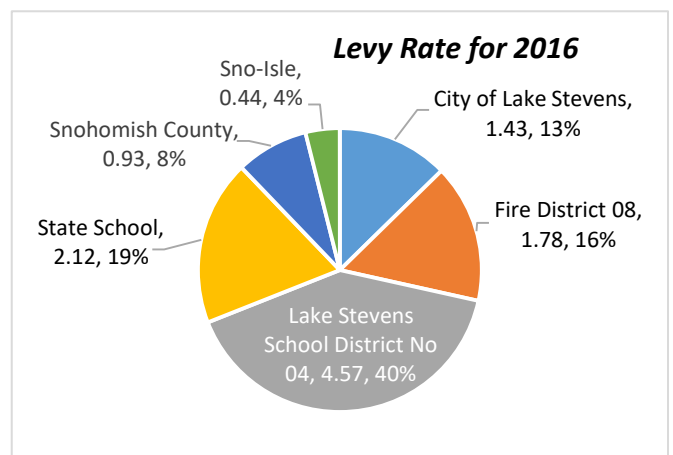
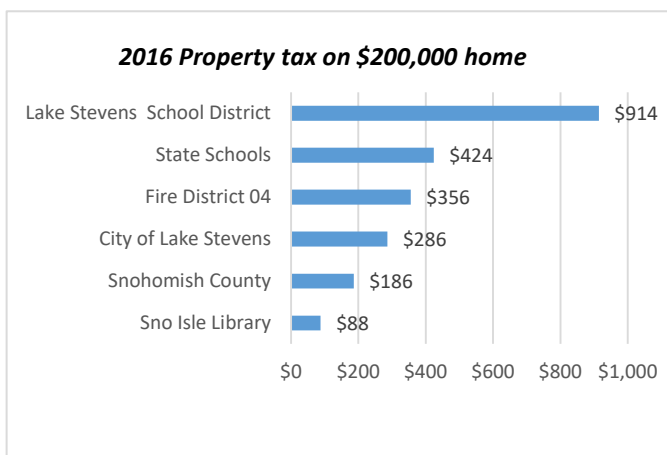


Taxes makes up the bulk of general fund revenues. Taxes are further broken down into property taxes, sales tax, utility tax, and other taxes.

Property Tax:

Total 2017 Property Tax is budgeted at \$4,491,689 with a levy rate of \$1.35 per thousand dollars of assessed valuation. Of the total property tax amount levied, 72% remains in the General Fund, and 28% is receipted into the Street fund. The 2017 General Fund property tax amount is \$3,234,016, making up 21.5% of total General Fund revenues. The chart below shows how the local property tax rate of \$11.28 per thousand dollars of assessed value is split among various jurisdictions for 2016.

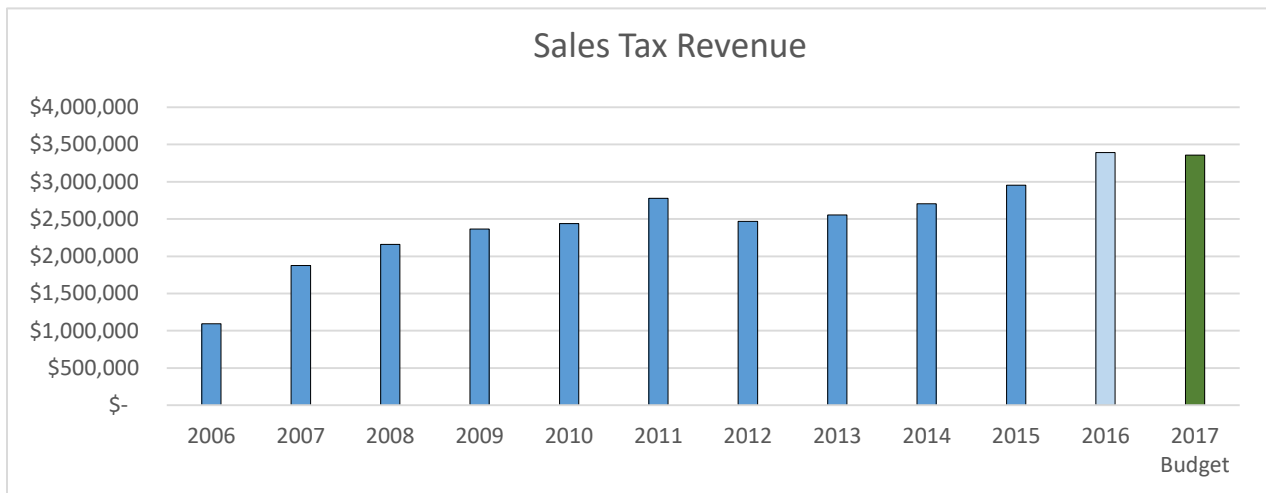
Due to Initiative 747, property taxes are limited to 1% of the prior year levy (highest lawful levy) or CPI whichever is lower. For 2017 the IPD was 0.953%. The City has opted to declare a substantial need and utilize the higher 1% limit.



Sales Tax

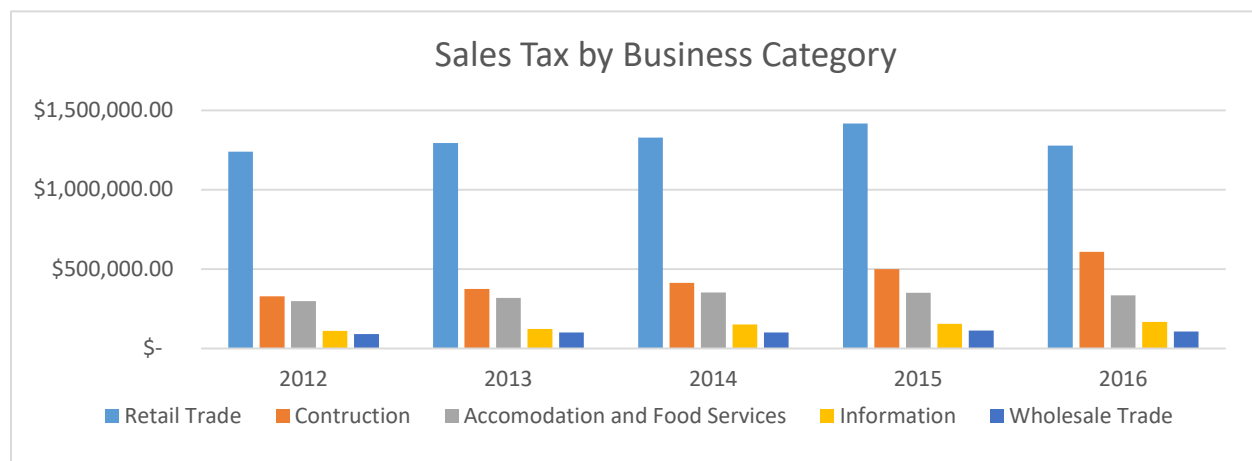
Lake Stevens General Fund is budgeted to collect \$3,398,954 in sales tax revenue. The current sales tax rate in Lake Stevens is 8.9%. The City treats sales tax from construction as one-time revenue with budgeted transfers of \$300,000 to a reserve fund designated for capital projects and purchases. This amount is a placeholder and will be updated throughout the year based on actual receipts. The remaining sales tax is used to support City operations.

The following chart shows annual sales tax collections for the past 10 years.



Sales tax revenue shown above includes the criminal justice sales tax. In September of 1990, the voters of Snohomish County approved an additional one-tenth of one-percent sales tax effective November 1990. All counties are authorized to levy this tax, subject to repeal by referendum. The revenues from this tax are dedicated exclusively for criminal justice purposes, with an emphasis on drug enforcement and crime prevention.

Sales tax is made up of different categories which help the City get perspective on what segments of business drive sales tax. When a development occurs, we would expect higher amounts of construction-related sales tax which help fund capital projects, while retail trade provides a steady base of revenue for operations.



Utility Tax

Utility taxes are levied on the gross operating revenue that private utilities earn from operations within the boundaries of the City. These utilities include electric, natural gas, and telephone. The City levies a 5 percent rate on electric and natural gas, and a 6 percent rate on telephone. Since utility taxes are levied on gross operating revenue, they have a direct link to population changes. Electric utility tax was split 50% General Fund and 50% Street fund until 2016. The policy decision for 2017 is to retain 100% of these taxes within the General Fund. The City expects to receive \$1.7 million in utility tax revenue in 2017.

Permits and Licenses

The City issues business licenses to all businesses operating within the City limits. The annual fee for a regular business is \$40. The City is estimating a small decrease in this area.

The City also requires regulatory licenses for the privilege of engaging in certain trades, occupations, and other activities. The businesses and activities governed by the City's regulatory license code are included because of health, safety, or security hazards that might arise if the City does not take an active part in their regulation. The fees for the various regulatory licenses are designed to cover the cost of their administration, inspection and enforcement.

The largest segment of the license and permit revenue is from the issuance of building permits for both residential and commercial construction or remodeling. 2017 building permit revenue is budgeted to decrease compared to 2016.

The following table demonstrates the history and forecast for Licenses and Permits.

Year	Business	Building	Animal	Franchise-Cable	Other	Total
2006	\$9,645	\$207,401	\$1,836		\$0	\$218,882
2007	\$18,467	\$704,582	\$2,664		\$0	\$725,713
2008	\$28,133	\$588,800	\$3,424		\$756	\$621,113
2009	\$36,208	\$769,790	\$2,932		\$2,189	\$811,118
2010	\$41,233	\$430,854	\$4,864		\$3,155	\$480,107
2011	\$43,496	\$306,936	\$4,280		\$5,756	\$360,468
2012	\$46,714	\$710,607	\$3,685		\$20,763	\$781,769
2013	\$45,918	\$374,039	\$3,830		\$8,832	\$432,618
2014	\$48,959	\$540,503	\$1,840		\$10,696	\$601,998
2015	\$52,460	\$698,993	\$1,256	\$367,671	\$11,190	\$1,131,570
2016	\$54,280	\$1,594,885	\$1,528	\$390,711	\$13,074	\$2,054,479
2017 Budget	\$46,350	\$1,200,000	\$1,500	\$370,000	\$10,500	\$1,628,350

***Cable Franchise Fees moved from Utility Taxes in 2015**

Intergovernmental Revenue

This category is dominated by various state-shared revenues. These revenues are distributed by the state to cities on a per capita basis, including motor vehicle excise tax, liquor tax, liquor profits, and criminal justice. Total intergovernmental revenue is budgeted to be \$743,952 excluding motor vehicle excise tax which is budgeted in the Street Fund.

As previously stated, state-shared revenues are taxes collected by the State of Washington and apportioned on the basis of relative population. As a consequence, the revenue received by the City is affected not only by state-wide growth in the various tax bases, but also by Lake Stevens' share of total population in incorporated areas in the State. Due to the statewide trend toward incorporation, this share of revenue continues to decrease as the revenues are shared among an increasing number of cities. So the expectation is that the growth of these revenues will be minimal.

Charges for Services

This revenue reflects the revenues raised for the City selling goods or providing services. The philosophy behind these revenues is to charge just those people purchasing the goods or requesting the services rather than allocating these costs of goods and services over the City's entire population.

Revenue from charges for services is budgeted at \$487,765. This category of revenue includes passport fees, law enforcement services, zoning and subdivision fees, service ILA's, along with other miscellaneous charges for services.

Fines & Forfeitures

The City anticipates receiving \$156,100 in revenue from fines & forfeitures, largely from traffic infractions.

Miscellaneous

Miscellaneous revenues includes various items not associated with the other revenue categories. Revenues in this category include investment interest, facility rentals, donations, and other miscellaneous revenues.

The **Contingency Reserve Fund** is a managerial fund of the General Fund and is budgeted to receive a transfer of \$500,000 and construction related sales tax of \$300,000 per year. This amount is a placeholder and will be updated throughout the year based on actual construction related sales tax receipts. The funds are set aside for capital related projects.

Special Revenue Funds

Special Revenue Funds are used to account for proceeds of taxes or other revenues, which must be used for specific purposes.

The City of Lake Stevens has the following Special Revenue Funds: Street, Drug Seizure & Forfeiture, and Municipal Arts.

The **Street Fund** will receive \$646,500 in State collected gasoline tax. This tax is distributed to the City for the construction, improvement, chip sealing, seal coating and repair of arterial highways and City streets. Gas taxes are distributed monthly, based on population. The Street Fund will also receive 28% of property tax which is \$1,257,673.

The **Drug Seizure Fund** accounts for the proceeds of items forfeited in accordance with RCW 69.50.505. The net proceeds are deposited and receipted in this fund and are expected to be \$10,120.

The **Municipal Arts Fund** receives a percentage allocation from municipal construction projects as well as budgeted contributions from the General Fund and is designated for art purposes. The Fund is estimated to receive \$20 from interest in 2017.

Debt Service Funds

The City has three debt service funds. These funds account for three different General Obligation Bonds which are funded by the general fund, real estate excise tax, and the Lake Stevens Sewer District. The total 2017 debt service of all three bonds will be \$522,468. Total debt service can be seen below. Debt service funds receive revenues as transfers from other funds to pay for the bonds.

Regular Levy (non-voted)	Matuirty Date	Interest	Original Issuance	Reedemed to Date (12/31/2016)	Debt Outstanding	2017 Payments
2008A LTGO Bonds - General portion	12/1/2028	3%-4.1%	\$ 3,001,447	\$ 1,016,855	\$ 1,984,592	\$ 220,371
20081 LTGO Bonds- Sewer	12/1/2022	3%-4%	\$ 1,508,553	\$ 793,145	\$ 715,408	\$ 134,024
2010A LTGO Bonds	12/1/2018	3.5%-4.5%	\$ 511,000	\$ 404,578	\$ 106,422	\$ 74,165
2015 LTGO Refunding Bonds	12/1/2013	2.04%	\$ 785,000	\$ 167,000	\$ 618,000	\$ 93,908
TOTAL Non-Voted			\$ 5,806,000	\$ 2,381,578	\$ 3,424,422	\$ 522,468
TOTAL GENERAL OBLIGATION DEBT			\$ 5,806,000	\$ 2,381,578	\$ 3,424,422	\$ 522,468

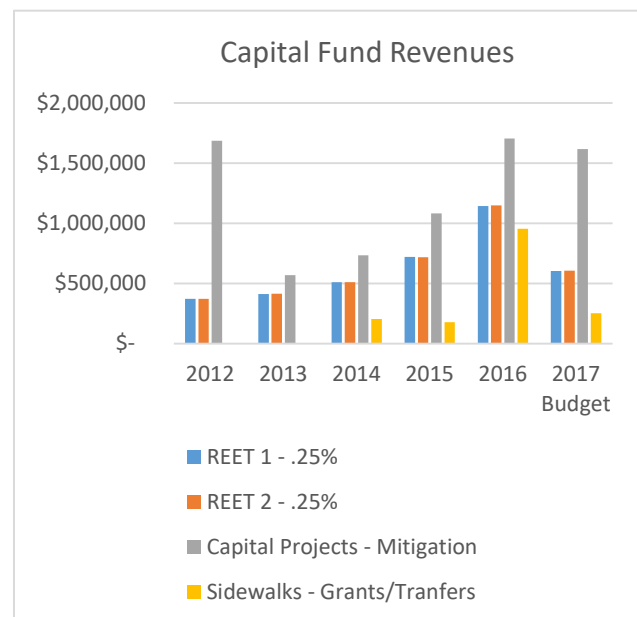
Capital Funds

The City has four Capital Funds. Real Estate Excise tax I, Real Estate Excise tax II, Capital Projects – Developer Contributions, and Sidewalk Capital Projects.

The Real Estate Excise tax funds each receive 0.25% of the selling price of real property in the City. The Real Estate Excise Tax funds have a combined budget of \$1,209,500.

The Capital Projects – Developer Contribution fund receives mitigation fees assessed to developers when properties are developed. Mitigation comes in as traffic mitigation or park mitigation. Total mitigation is expected to be \$1,616,580

Sidewalk Capital Projects fund receives revenue from a transfer from the Street Fund and grants. The sidewalk fund will receive \$251,500 in transfers for 2017.



Rising revenues in Real Estate Excise tax and mitigation are good economic indicators. The 2017 budget remains conservative due to the likelihood that development will slow down in the City.

Enterprise Funds

The Storm & Surface Water Fund imposes a charge on users for the maintenance and operation of the storm drainage system. No increases have been budgeted for 2017. Additionally, the City receives contributions from Snohomish County to perform milfoil and alum treatments on the lake. Surface water charges are collected by the County and remitted to the City. Budgeted revenues are \$1,514,820.

Internal Service Funds

Internal service funds are designed to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City. The City has five internal service funds: Unemployment, Capital Equipment Computer, Capital Equipment Police, Capital Equipment Public Works, and Aerator Equipment.

The **Unemployment** Fund provides for the payment of unemployment claims should an ex-employee claim unemployment benefits. The City does not contribute monthly like a private employer would; we contribute only when there is a claim. In order to protect against any large unexpected claims, money is contributed from the General, Street, Sewer and Storm water funds annually based on previous claim history. This fund has a beginning balance of \$96,915 and is not budgeted to receive any contributions other than investment interest of \$300.

The **Capital Equipment Computer** Fund is for the replacement of computer equipment Citywide. Resources are contributions from participating funds. The fund will receive \$152,817 in contributed capital.

The **Capital Equipment Vehicle** Fund is for the replacement of vehicles for various General Fund departments like planning and administration. Resources are contributions from participating funds. The fund will receive \$10,000 in contributed capital.

The **Capital Equipment Police** Fund provides for the periodic purchase of new police vehicles and vessels. Funds are provided through transfers from the General Fund. The fund will receive \$196,700 from the general fund.

The **Capital Equipment Public Works** Fund provides for the periodic purchase of equipment for the operation of the Public Works Department. Contributions are also received from the Street Fund and Surface Water fund to build and maintain a pool of resources to purchase new equipment or replace equipment. The fund will receive \$838,200 in contributions.

City of Lake Stevens, Washington
Expenditure Summary

**2017 Adopted Budget
All Funds
Summary of Expenditures**

Fund Name	2016 Budgeted Expenditures	2016 Actual Expenditures	2017 Budgeted Expenditures	% Change (2016 Budget vs. 2017 Budget)	% Change (2016 Actual vs. 2017 Budget)
General Fund	\$14,665,601	\$13,159,073	\$16,766,100	14%	27%
Reserve Fund	\$2,469,874	\$2,461,824	\$8,050	-100%	-100%
Street	\$3,523,581	\$2,790,778	\$3,010,225	-15%	8%
Street Reserve	\$0	\$0	\$0	0%	0%
Drug Seizure & Forfeiture Fund	\$1,000	\$922	\$41,000	4000%	4347%
Municipal Arts Fund	\$11,399	\$0	\$0	-100%	0%
2008 Bonds	\$353,268	\$353,268	\$354,395	0%	0%
2010 LTGO Bonds	\$74,166	\$74,164	\$74,165	0%	0%
LTGO Bond 2015	\$97,600	\$97,300	\$93,908	-4%	-3%
Cap. Proj.-Dev. Contrib.	\$2,037,600	\$573,208	\$2,733,500	34%	377%
Cap. Imp.-REET	\$340,842	\$340,641	\$1,136,897	234%	234%
Cap. Improvements	\$1,067,164	\$1,042,152	\$2,681,415	151%	157%
Sidewalk Capital Project	\$974,834	\$573,251	\$350,000	-64%	-39%
Sewer	\$1,393,954	\$1,379,048	\$1,335,295	-4%	-3%
Storm and Surface Water	\$1,561,951	\$1,512,405	\$2,176,424	39%	44%
Unemployment	\$30,000	\$5,994	\$30,000	0%	400%
Equipment Fund - Computers	\$266,065	\$92,996	\$267,000	0%	187%
Equipment Fund - Vehicles	\$0	\$0	\$0	0%	0%
Equipment Fund-Police	\$243,000	\$216,894	\$266,000	9%	23%
Equipment Fund-PW	\$299,392	\$271,534	\$637,500	113%	135%
Aerator Equipment Replacement	\$0	\$0	\$300,000	0%	0%
Refundable Deposits	\$81,073	\$22,477	\$61,000	-25%	171%
Treasurer's Trust	\$207,630	\$171,566	\$200,000	-4%	17%
Total All Funds	\$29,699,994	\$25,139,495	\$32,522,873	-12%	-32%

City of Lake Stevens, Washington Expenditure Summary

Expenditures for all funds are budgeted at \$32.5 million with an ending fund balance of \$20.1 million. The City has three major funds; the General Fund, the Street Fund, and the Storm & Surface Water Fund.

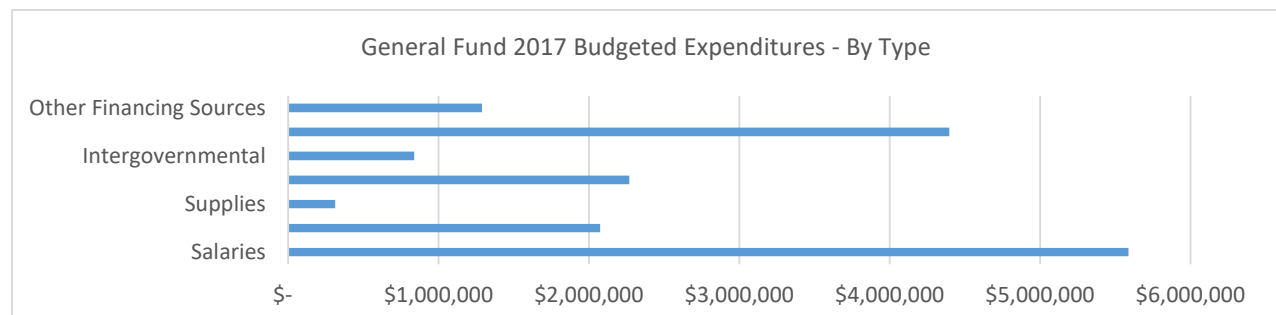
General Fund

The General Fund has \$16.8 million in expenditures budgeted in 2017. The City has 12 departments that make up the General Fund; Legislative & Executive, Administration, City Clerk, Finance, Human Resources, Information Technology, Planning & Community Development, Law Enforcement, Parks, Legal, Community, and General Government.

The table below shows the expenditures by department. As shown, Law Enforcement makes up 39% of the General Fund, while General Government follows with 37%. The General Government department has \$3.6 million budgeted for a land purchase and \$782,000 for temporary facilities.

Department	2012	2013	2014	2015	2016	2017 Budget	% of 2017 budget
Legislative & Executive	\$ 92,763	\$ 91,564	\$ 93,779	\$ 150,254	\$ 170,287.42	\$ 219,404.00	1%
Administration	85,758	91,325	128,232	208,777	\$ 195,707.21	\$ 200,411.95	1%
City Clerk	85,966	87,162	102,321	147,008	\$ 158,037.76	\$ 204,468.79	1%
Finance	100,724	214,339	187,698	198,910	\$ 276,518.99	\$ 395,533.24	2%
Human Resources	70,669	70,109	102,724	105,248	\$ 112,260.92	\$ 258,825.92	2%
Information Technology	159,316	165,881	206,423	201,156	\$ 232,419.22	\$ 245,113.88	1%
Planning & Community Deve	763,235	750,692	670,272	798,860	\$ 1,357,037.19	\$ 1,422,665.55	8%
Law Enforcement	4,641,813	4,448,213	4,696,704	5,033,946	\$ 5,523,043.77	\$ 6,497,321.96	39%
Parks	168,132	110,548	68,628	104,424	\$ 414,545.77	\$ 497,400.02	3%
Legal	206,518	250,288	323,508	352,801	\$ 437,930.30	\$ 502,000.00	3%
Community	21,420	30,930	46,256	71,170	\$ 53,988.43	\$ 61,803.00	0%
General Government	1,159,531	965,021	1,169,781	1,642,096	\$ 4,227,296.18	\$ 6,261,151.92	37%
Total	\$7,555,845	\$7,276,072	\$7,796,327	\$9,014,648	\$ 13,159,073	\$ 16,766,100	100%

Summarizing General Fund expenditures by type gives a better understanding of what the General Fund pays for. Salaries, benefits and capital expenditures make up 72% of General Fund Expenditures.



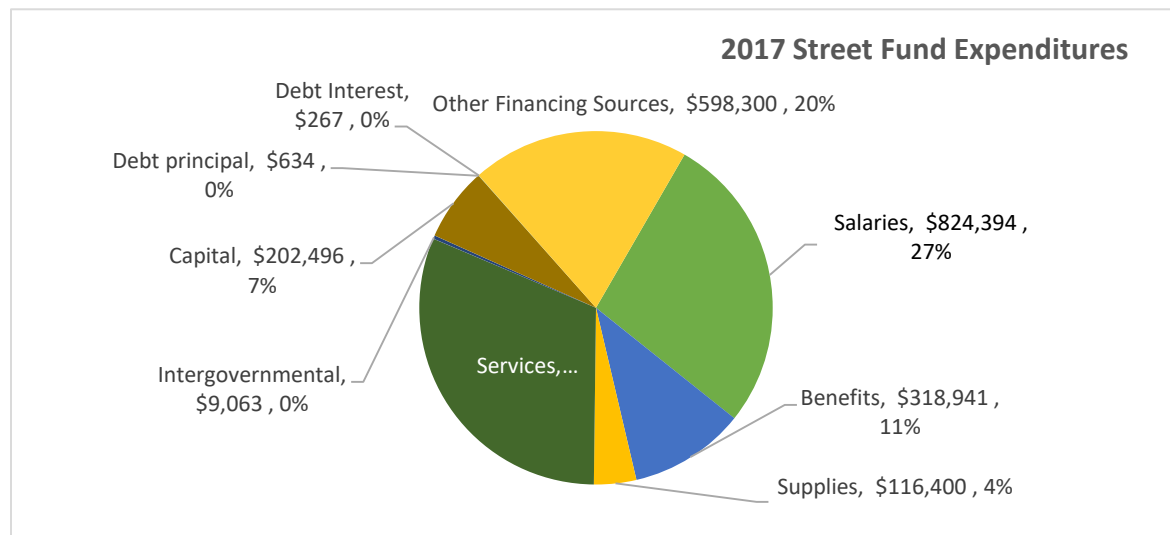
Personnel

The 2017 budget includes a cost of living increase of 2% for non-union and Public Works Teamsters members, and 1.8% for Police Guild members. Medical/retirement benefits increased by approximately 3% for 2017. New positions for 2017 are as follows:

Department	Position
Human Resources	Admin Assistant
Law Enforcement	Police Records Supervisor
Law Enforcement	Traffic Unit Officer
Public Works	Engineering Technician I
Public Works	Public Works Superintendent
Administration	(2) Intern
Public Works	(2) Seasonal Storm

Street Fund

The Street Fund expenditures for 2017 are \$3 million. The expenditures cover street maintenance, some street overlays, street lighting, street striping, sidewalk repair, and salaries/benefits. This fund is support by 28% of property taxes as well as the motor vehicle fuel tax. The Street Fund expenditures are summarized below.



Storm & Surface Water Fund

The Storm & Surface Water Fund provides for the maintenance and operation of the City's storm drainage system, lake and stream maintenance. Budgeted expenditures are estimated to be \$2,176,424. The Storm & Surface Water Fund is slated to complete the following projects and capital transfers.

Project Name	2017 Budgeted Amount
SW-Contribution Cap Equip Fund	\$ 334,800.00
SW-Contr Computer Equip	\$ 12,000.00
SW - JetScan Camera	\$ 18,000.00
SW - City shop office & locker room	\$ 24,000.00
SW-Transfer to Aerator Equip	\$ 168,145.00
City Hall - Temporary Facility	\$ 108,695.65
Total	\$ 665,640.65

Capital Funds

Capital funds include the Sidewalk Fund, Developer Contribution Fund, and Real Estate Excise Tax Funds. Capital projects are mainly funded by State or Federal grants, Real Estate Excise Taxes, and developer mitigation payments. Other funding sources such as the general fund, and the reserve fund can also pay into these projects, including equipment purchases.

Sidewalk Capital Projects

This category includes projects for sidewalks. These projects are primary funded by grants, and transfers from the Street Fund. Transfers from the Street Fund are budgeted at \$250,000 for 2017. While the following projects are budgeted, some are contingent on grant awards:

Capital Projects – Developer Contributions

Projects under this category are for road infrastructure, pedestrian infrastructure, street related capital projects, and park infrastructure. The City has been very active in 2016 and 2017 to apply for as many state and federal grants for infrastructure projects as it can, and the results can be seen. The City has acquired many of these grants resulting in \$2.7 million in budgeted projects.

Project Name	2017 Budgeted Amount
Eagle Ridge	\$ 100,000
Cavelero Park Skate Park (local portion)	\$ 250,000
Downtown Park Plan	\$ 50,000
Fronteir Heights	\$ 191,000
Tree Mitigation Expenditures	\$ 57,500
Lake Stevens Disc Golf Course (Youth Grant - local portion)	\$ 55,000
Cavelero Park Basketball/Volleyball (Youth Grant - local portion)	\$ 40,000
TIZ 2 - South Lake Stevens Widen Shoulder	\$ 480,000
TIZ 3 - 24th Street Design	\$ 550,000
Street Op - Planning -Design - 20th St. GMA	\$ 960,000
Total	\$ 2,733,500

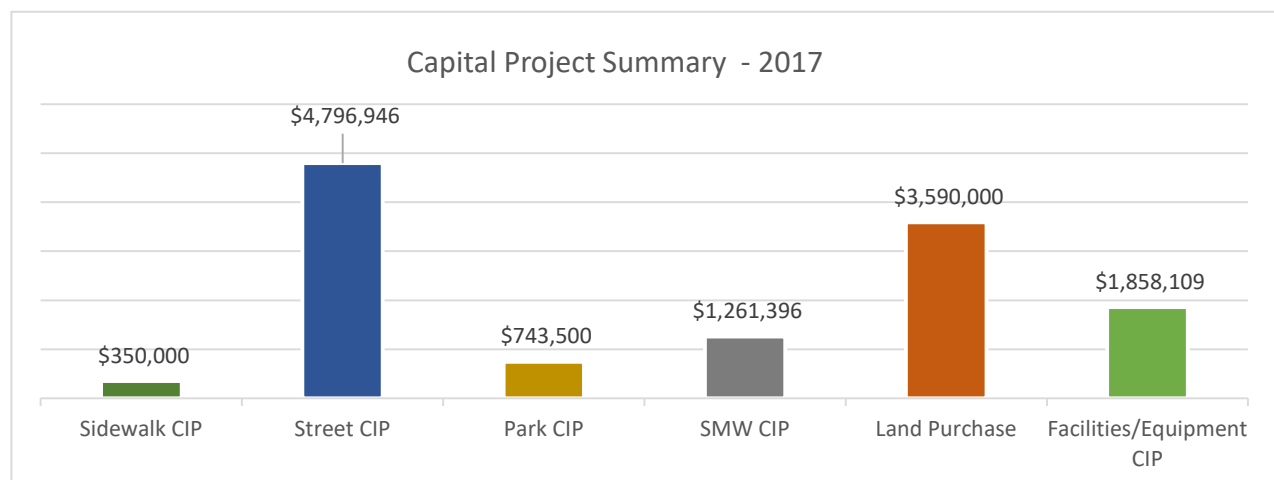
Real Estate Excise Tax Funds

The Real Estate Excise Tax funds are restricted for capital related projects. Expenditures from this fund pay for existing capital related debt and new capital projects. These projects can include street infrastructure, park infrastructure, or surface water infrastructure. The following projects are budgeted in 2017 from REET 1 and REET 2

Project Name	2017 Budgeted Amount
Transfer to Police St Debt Fnd	\$ 93,908.00
transfer to 210 for 2008 bonds	\$ 220,370.66
Transfer to 212 for 2010 Bonds	\$ -
800 MHZ Capital Debt Principal	\$ 17,305.96
800 MHZ Capital Debt Interest	\$ 5,312.00
Tressle/HOV Lane (local portion)	\$ 800,000.00
REET 1 Total	\$ 1,136,896.62
Regional Storm Pond (1)	\$ 800,000
Transfer to 212 for 2010A Bond	\$ 74,165
79th Ave. SE Access Road	\$ 1,122,000
91st Ave NE & Market Pl. RAB (WSDOT/TIB)	\$ 235,250
Callow Road Embankment	\$ 450,000
REET 2 Total	\$ 2,681,415
Total	\$ 3,818,312

Capital Projects – City Wide

The City has a total of \$12.6 Million in capital related activity in 2017. Below is the summary of all budgeted projects across City funds by type, excluding debt and transfers.



City of Lake Stevens, Washington
2017 Revenue Detail

	Actual	Actual	Actual	Actual	Budgeted
	2013	2014	2015	2016	2017
General Fund					
Taxes					
Property (72%)	\$ 2,627,328	\$ 2,729,328	\$ 3,037,721	\$ 3,098,274	\$ 3,234,016
Sales tax	\$ 2,145,132	\$ 2,266,367	\$ 2,491,761	\$ 2,897,442	\$ 2,850,574
Sales-Criminal Justice	\$ 411,775	\$ 440,234	\$ 464,164	\$ 501,512	\$ 507,144
Gas/Telephone Utility Tax	\$ 847,676	\$ 956,792	\$ 905,443	\$ 845,836	\$ 923,200
Electric Utility Tax*	\$ 352,349	\$ 365,085	\$ 374,023	\$ 385,355	\$ 780,000
Gambling	\$ 15,993	\$ 15,536	\$ 17,275	\$ 18,398	\$ 15,100
Misc.	\$ 6,256	\$ 5,653	\$ 6,055	\$ 5,415	\$ 5,500
Subtotal Taxes	\$ 6,406,510	\$ 6,778,995	\$ 7,296,442	\$ 7,752,232	\$ 8,315,534
*changed allocation to 100% in 2017					
Licenses & Permits					
Business	\$ 45,918	\$ 49,034	\$ 52,460	\$ 54,280	\$ 46,350
Cable	\$ 342,090	\$ 351,668	\$ 367,671	\$ 390,711	\$ 370,000
Building	\$ 374,039	\$ 540,503	\$ 698,993	\$ 1,594,885	\$ 1,200,000
Weapon	\$ 7,372	\$ 7,511	\$ 7,880	\$ 10,839	\$ 7,500
Other	\$ 5,290	\$ 5,025	\$ 4,566	\$ 3,763	\$ 4,500
Subtotal Licenses & Permits	\$ 774,707	\$ 953,741	\$ 1,131,570	\$ 2,054,479	\$ 1,628,350
Intergovernmental					
Federal Grants	\$ 25,233	\$ 30,823	\$ 32,089	\$ 43,100	\$ 16,736
State Grants	\$ 708	\$ 10,000	\$ -	\$ 2,307	\$ 20,000
WA OPD - Social Worker	\$ -	\$ -	\$ -	\$ 20,000	\$ -
PUD Privilege	\$ 87,626	\$ 107,791	\$ 110,119	\$ 114,734	\$ 110,000
Vessel Registration	\$ 11,511	\$ 11,393	\$ 11,486	\$ 12,879	\$ 12,879
City-County Assistance	\$ 93,177	\$ 98,635	\$ 113,853	\$ 116,829	\$ 113,853
Criminal Justice	\$ 37,558	\$ 40,271	\$ 40,772	\$ 42,924	\$ 47,019
Marijuana Excise	\$ -	\$ -	\$ 8,209	\$ 28,177	\$ 17,922
Liquor Excise Tax	\$ 19,099	\$ 54,418	\$ 79,417	\$ 139,503	\$ 144,303
Liquor Board Profits	\$ 256,276	\$ 257,320	\$ 255,596	\$ 257,567	\$ 261,105
Other	\$ 269	\$ -	\$ 135	\$ 135	\$ 135
Subtotal Intergovernmental	\$ 531,456	\$ 610,651	\$ 651,676	\$ 778,155	\$ 743,952
Charges for Services					
Lobbying	\$ 20,250	\$ 5,660	\$ -	\$ -	
Public Records	\$ 2,847	\$ 2,300	\$ 3,611	\$ 3,236	\$ 2,800
Passports	\$ 57,589	\$ 67,381	\$ 73,807	\$ 88,818	\$ 80,000
Law Enforcement Services	\$ 153,575	\$ 164,102	\$ 194,455	\$ 169,034	\$ 165,455
IT - ILA	\$ 76,838	\$ 78,478	\$ 81,692	\$ 83,112	\$ 83,000
Zoning & Subdivision	\$ 189,354	\$ 145,476	\$ 154,215	\$ 320,923	\$ 150,000
Other	\$ 5,372	\$ 5,261	\$ 5,979	\$ 12,563	\$ 6,510
Subtotal Charges for services	\$ 505,824	\$ 468,658	\$ 513,759	\$ 677,686	\$ 487,765

City of Lake Stevens, Washington
2017 Revenue Detail

	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budgeted 2017
Fines					
Traffic	\$ 179,721	\$ 139,453	\$ 128,372	\$ 143,871	\$ 150,000
Other	\$ 7,535	\$ 7,606	\$ 9,949	\$ 6,667	\$ 6,100
Subtotal Fines	\$ 187,256	\$ 147,060	\$ 138,321	\$ 150,538	\$ 156,100
Miscellaneous					
Investment Interest	\$ 6,621	\$ 6,415	\$ 12,566	\$ 35,765	\$ 16,400
Boat and Event Fees	\$ 17,039	\$ 18,548	\$ 22,618	\$ 8,170	\$ 7,700
Lease	\$ 32,771	\$ 25,518	\$ 24,469	\$ 47,396	\$ 54,070
donations	\$ 3,273	\$ 23,805	\$ 5,709	\$ 23,892	\$ 700
Misc.	\$ 10,532	\$ 15,990	\$ 19,549	\$ 3,831	\$ 17,000
Grade Road Prop					\$ 3,590,000
Transfers	\$ -	\$ -	\$ -	\$ 2,461,824	\$ -
Subtotal miscellaneous	\$ 70,235	\$ 90,276	\$ 84,912	\$ 2,580,878	\$ 3,685,870
Total General Fund Revenue	\$ 8,475,989	\$ 9,049,381	\$ 9,816,679	\$ 13,993,968	\$ 15,017,571
Contingency Reserve					
Interest	\$ 2,703	\$ 2,187	\$ 4,857	\$ 13,158	\$ 7,500
Transfer In	\$ 500,000	\$ 500,000	\$ 800,000	\$ 800,000	\$ 800,000
Other	\$ -	\$ -	\$ -	\$ 15	\$ 100
Total Contingency Reserve	\$ 502,703	\$ 502,187	\$ 804,857	\$ 813,173	\$ 807,600
Special Revenue Funds					
Street					
Motor Vehicle Fuel Tax	\$ 589,383	\$ 597,362	\$ 614,670	\$ 675,994	\$ 646,500
Property tax (28%)	\$ 1,021,739	\$ 1,061,405	\$ 1,181,336	\$ 1,204,884	\$ 1,257,673
Utility Tax (50%)	\$ 352,349	\$ 365,085	\$ 374,026	\$ 385,355	\$ -
TBD	\$ -	\$ -	\$ -	\$ -	\$ 217,899
ROW Permits	\$ 19,750	\$ 21,966	\$ 28,528	\$ 26,442	\$ 20,000
Grants	\$ 250	\$ 160,966	\$ -	\$ -	\$ -
Charges for Services	\$ 100	\$ -	\$ 3,295	\$ 896	\$ 1,500
Misc.	\$ 12,357	\$ 20,150	\$ 11,528	\$ 23,184	\$ 14,100
Insurance Recovery	\$ 21,505	\$ 700	\$ 233	\$ 4,095	\$ 5,000
Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -
Total Street	\$ 2,017,433	\$ 2,227,635	\$ 2,213,615	\$ 2,320,850	\$ 2,162,672
Street Reserve					
Interest	\$ 2	\$ 1	\$ 2	\$ 7	\$ 5
Total Street Reserve	\$ 2	\$ 1	\$ 2	\$ 7	\$ 5

City of Lake Stevens, Washington
2017 Revenue Detail

	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budgeted 2017
Drug Seizure & Forfeiture					
Interest	\$ 36	\$ 29	\$ 49	\$ 176	\$ 120
Confiscated property	\$ 4,095	\$ 6,778	\$ 8,288	\$ 10,991	\$ 9,000
State Remittance	\$ 510	\$ 753	\$ 921	\$ -	\$ 1,000
Total Drug Seizure & Forfeiture	\$ 4,641	\$ 7,560	\$ 9,258	\$ 11,167	\$ 10,120
Municipal Art					
Interest	\$ 2	\$ 1	\$ 26	\$ 49	\$ 20
Transfer in	\$ -	\$ -	\$ 20,000	\$ -	\$ -
Total Municipal Art	\$ 2	\$ 1	\$ 20,026	\$ 49	\$ 20
Debt Service					
PWTF 2002	\$ 89,976	\$ 89,547	\$ -	\$ -	\$ -
LTGO 2004	\$ 103,320	\$ 105,721	\$ 16,543	\$ -	\$ -
PWTF 2006	\$ 787,323	\$ 436,160	\$ -	\$ -	\$ -
PWTF 2005	\$ 66,316	\$ 65,263	\$ -	\$ -	\$ -
PWTF 2008	\$ 1,096,170	\$ 594,668	\$ -	\$ -	\$ -
LTGO 2008 bonds	\$ 366,448	\$ 359,249	\$ 351,402	\$ 353,268	\$ 354,395
PWTF 2010	\$ 976	\$ 957	\$ -	\$ -	\$ -
2010 LTGO Bonds	\$ 94,912	\$ 94,912	\$ 549,912	\$ 74,164	\$ 74,165
LTGO Bond 2015	\$ -	\$ -	\$ 870,322	\$ 97,301	\$ 93,908
Total Debt Service	\$ 2,605,440	\$ 1,746,477	\$ 1,788,179	\$ 524,732	\$ 522,468
Capital Funds					
Capital Projects					
Local Impact	\$ 50,528	\$ -	\$ -	\$ -	\$ -
Traffic Mitigation	\$ 289,732	\$ 324,708	\$ 303,970	\$ 97,989	\$ 50,000
Traffic Mitigation - TIZ 1	\$ 21,288	\$ 69,979	\$ 41,498	\$ 32,186	\$ 25,000
Traffic Mitigation - TIZ 2	\$ 17,502	\$ 17,531	\$ 229,802	\$ 189,605	\$ 100,000
Traffic Mitigation - TIZ 3	\$ -	\$ -	\$ 24,625	\$ 284,169	\$ 300,000
Park Mitigation	\$ 168,896	\$ 317,546	\$ 371,940	\$ 788,944	\$ 500,000
Tree Replacement	\$ -	\$ -	\$ 1,716	\$ 8,960	\$ -
Interest	\$ 3,635	\$ 3,120	\$ 6,307	\$ 22,339	\$ 15,000
Grants	\$ -	\$ -	\$ 103,478	\$ 280,420	\$ 626,580
WSDOT Mitigation	\$ 408	\$ -	\$ -	\$ -	\$ -
Total Capital Projects	\$ 551,989	\$ 732,883	\$ 1,083,337	\$ 1,704,612	\$ 1,616,580
Real Estate Excise Tax					
REET 1	\$ 410,999	\$ 509,595	\$ 718,120	\$ 1,136,588	\$ 600,000
Interest REET 1	\$ 1,230	\$ 873	\$ 1,677	\$ 5,659	\$ 2,500
Subtotal REET 1	\$ 412,228	\$ 510,468	\$ 719,798	\$ 1,142,247	\$ 602,500

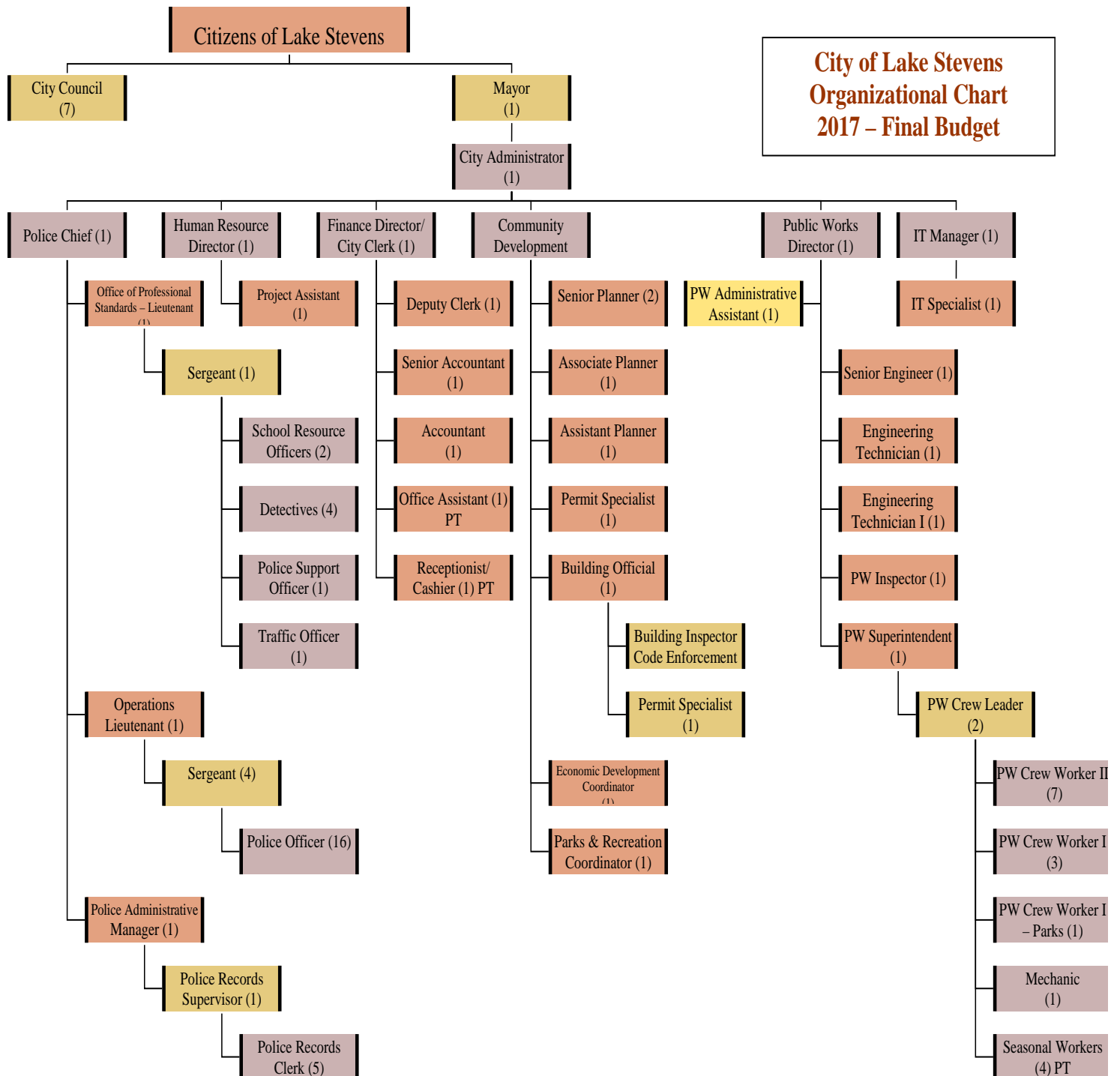
City of Lake Stevens, Washington
2017 Revenue Detail

	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budgeted 2017
REET 2	\$ 410,999	\$ 508,200	\$ 714,039	\$ 1,136,303	\$ 600,000
Interest REET 2	\$ 1,951	\$ 1,629	\$ 3,572	\$ 11,831	\$ 7,000
Subtotal REET 2	\$ 412,949	\$ 509,829	\$ 717,610	\$ 1,148,135	\$ 607,000
Total Real Estate Excise Tax	\$ 825,178	\$ 1,020,297	\$ 1,437,408	\$ 2,290,381	\$ 1,209,500
Sidewalk Capital					
Grants	\$ -	\$ 204,750	\$ 177,600	\$ 450,736	\$ -
Interest	\$ 770	\$ 474	\$ 662	\$ 3,259	\$ 1,500
Transfer In	\$ -	\$ -	\$ -	\$ 500,000	\$ 250,000
Total Sidewalk Capital	\$ 770	\$ 205,224	\$ 178,261	\$ 953,995	\$ 251,500
Enterprise Funds					
Sewer					
Sewer Utility Agreement	\$ 109,980	\$ 85,600	\$ 77,040	\$ 75,000	\$ 35,000
Interest	\$ 564	\$ 357	\$ 447	\$ 1,607	\$ 1,000
Lease LT - WWTP Property	\$ 10	\$ -	\$ -	\$ -	\$ -
Sewer District reimbursement	\$ 1,326,760	\$ 1,319,754	\$ 1,310,290	\$ 1,305,694	\$ 1,300,782
Total Sewer	\$ 1,437,315	\$ 1,405,711	\$ 1,387,776	\$ 1,382,300	\$ 1,336,782
Sewer Reserve					
Investment Interest	\$ 238	\$ 94	\$ -	\$ -	\$ -
SA - Grade Road Basin	\$ -	\$ 33,080	\$ -		
Interfund Transfer In	\$ -	\$ -	\$ -		
Total Sewer Reserve	\$ 238	\$ 33,174	\$ -	\$ -	\$ -
Storm & Surface Water					
Grants	\$ 59,337	\$ 24,356	\$ 111,476	\$ 6,005	\$ -
Surface Water Fee	\$ 1,397,591	\$ 1,422,642	\$ 1,394,038	\$ 1,440,307	\$ 1,500,620
SnoCo Aerator Contribute	\$ 574	\$ -	\$ 230	\$ -	\$ 200
SnoCo Weed Abate Contrib.	\$ 8,283	\$ 10,238	\$ 10,220	\$ 8,948	\$ 11,000
Investment Interest	\$ 1,388	\$ 1,208	\$ 2,485	\$ 7,393	\$ 3,000
Miscellaneous Revenues - Storm	\$ -	\$ -	\$ 5,050		
Interfund Transfer In	\$ 34,886	\$ -	\$ -		
Total Storm & Surface Water	\$ 1,502,059	\$ 1,458,444	\$ 1,523,499	\$ 1,462,653	\$ 1,514,820

City of Lake Stevens, Washington
2017 Revenue Detail

	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budgeted 2017
Internal Service Fund					
Unemployment Transfers in	\$ 17,021	\$ 8,099	\$ 166	\$ 431	\$ 300
Equipment Fund - Vehicles	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Equipment Fund - IT Transfer in	\$ 41,100	\$ 82,173	\$ 272,463	\$ 153,294	\$ 152,817
Equipment - Police Transfers in	\$ 109,557	\$ 173,195	\$ 213,312	\$ 203,956	\$ 196,700
Equipment - Public Works Transfers in	\$ 52,263	\$ 52,155	\$ 148,952	\$ 331,015	\$ 838,200
Aerator Equipment Transfers in	\$ 40,182	\$ 8,101	\$ 10,185	\$ 10,558	\$ 170,143
Total internal Service Funds	\$ 260,122	\$ 323,722	\$ 645,077	\$ 699,254	\$ 1,368,160
Fiduciary Funds					
Refundable Deposits					
Retainage - Public Bldg. Maint	\$ 718	\$ 461	\$ 599	\$ 908	\$ 1,000
Retainage - Street Project	\$ 11,633	\$ 18,326	\$ 17,927	\$ 17,505	\$ 50,000
Retainage - Other PW Project	\$ -	\$ -	\$ -	\$ 8,581	\$ 10,000
Total Refundable Deposit	\$ 12,351	\$ 18,787	\$ 18,525	\$ 26,994	\$ 61,000
Treasurers Trust					
Seizure & Forfeit - State Rev	\$ -	\$ -	\$ -	\$ 1,211	
District Court	\$ 127,681	\$ 95,963	\$ 98,398	\$ 115,219	\$ 145,000
Gun Permit Fees	\$ 13,726	\$ 11,858	\$ 13,319	\$ 17,929	\$ 15,000
St. Bldg. Permit Fee Non-Rev	\$ 920	\$ 1,109	\$ 1,240	\$ 2,574	\$ 3,000
Leasehold Excise Tax Receipts	\$ 4,529	\$ 3,141	\$ 3,141	\$ 4,757	\$ 4,500
Violations Bureau-Local St	\$ 9,272	\$ 8,758	\$ 11,013	\$ 8,160	\$ 25,000
Mandatory Ins.-Admin Cost County	\$ 1	\$ 2	\$ -	\$ 0	\$ 500
Fire Department Fees	\$ 7,430	\$ 7,076	\$ 15,028	\$ 28,799	\$ 7,000
Interfund Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -
Total Treasurers Trust	\$ 163,558	\$ 127,906	\$ 142,139	\$ 178,650	\$ 200,000
Total Revenue All FUNDS	\$ 18,359,790	\$ 18,859,391	\$ 21,068,639	\$ 26,362,784	\$ 26,078,798

City of Lake Stevens, Washington
2017 Departmental Organization Chart



Department Expenditure Detail



Legislative and Executive

The purpose of the Mayor and City Council is to provide for political leadership and exercise those powers and duties granted by state statute to the executive and legislative branches of Lake Stevens City government, which are in the best interest of City residents and taxpayers.

The City of Lake Stevens operates within the Mayor-Council form of Government. This form consists of an elected Mayor (elected at large for a four year term) who serves as the City's Chief Executive Officer (CEO) and a Council (seven members elected at large for four year terms - staggered) which is responsible for formulating and adopting policies that will guide the Mayor in carrying out the functions of the City. The Mayor-Council form of government is characterized by a separation of executive and legislative powers and a system of checks and balances patterned after our traditional national and state governments. In short, the function of the Council is to decide what business the City should accomplish (adoption of policies, ordinances, etc.) and the Mayor's function is to translate those decisions into governmental actions.

2017 Budget Highlights

- There are no significant changes in the 2017 budget over the 2016 budget.

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Legislative					
Salaries	\$ 30,050	\$ 31,450	\$ 47,575	\$ 62,500	\$ 67,200
Benefits	\$ 2,355	\$ 2,479	\$ 3,724	\$ 3,864	\$ 5,365
Supplies	\$ 157	\$ 315	\$ 4,221	\$ 527	\$ 300
Services	\$ 2,969	\$ 3,522	\$ 9,755	\$ 35,444	\$ 64,075
Subtotal Legislative	\$ 35,530	\$ 37,766	\$ 65,275	\$ 102,334	\$ 136,940
Executive					
Salaries	\$ 14,400	\$ 14,400	\$ 22,400	\$ 24,000	\$ 24,000
Benefits	\$ 1,191	\$ 1,172	\$ 1,814	\$ 3,041	\$ 2,114
Supplies	\$ -	\$ 74	\$ 107	\$ 123	\$ 200
Services	\$ 40,442	\$ 40,367	\$ 60,657	\$ 40,790	\$ 56,150
Subtotal Executive	\$ 56,033	\$ 56,013	\$ 84,978	\$ 67,953	\$ 82,464
Total legislative & Executive	\$ 91,564	\$ 93,779	\$ 150,254	\$ 170,287	\$ 219,404

FTE Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Approved
Mayor	1	1	1	1	1
Council	7	7	7	7	7
	8	8	8	8	8

Administration

The Administration Department is responsible for assisting in the coordination of activities and services the City provides its customers and assists in the translation of Mayor/Council goals and policies into action. The Administration Department includes the City Administrator.

The major responsibility of the Administration Department is the coordination and supervision of the work of all other departments. Additional responsibilities include, contract negotiations and management; participation with other departments in the pursuit of grant funds; preparing regular and special management reports; processing citizen inquiries and service requests; and working with other regional governments.

2017 Budget Highlights

- Addition of two (2) Interns.
- In 2016, the City contracted with Prothman for an interim City Administrator with associated costs charged to services. With a new City Administrator starting in 2017, professional services costs will decrease, while salary and benefit costs will increase.

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 67,366	\$ 94,316	\$ 152,909	\$ 36,985	\$ 149,932
Benefits	\$ 20,409	\$ 31,422	\$ 33,462	\$ 8,907	\$ 44,830
Supplies	\$ 145	\$ 49	\$ 376	\$ 29	\$ 150
Services	\$ 3,406	\$ 2,445	\$ 22,031	\$ 149,786	\$ 5,500
Total Administration	\$ 91,325	\$ 128,232	\$ 208,777	\$ 195,707	\$ 200,412

FTE Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Approved
City Administrator	0.34	0.69	0.74	0.76	0.74
Finance Director	0.21	0	0	0	0
	0.55	0.69	0.74	0.76	0.74

City Clerk

The City Clerk's Division of the Finance Department provides a variety of services that support the City Council, City Departments and the public. The City Clerk coordinates the production of meeting materials for City Council meetings, Planning Commission meetings, Parks Board meetings, and Arts Commission meetings. The Clerk provides legal and public notifications, and official meeting minutes. The City Clerk provides notary services and is responsible for records management and public disclosure.

2017 Budget Highlights

- The 2017 Budget includes \$30,000 in additional funds to combine with those budgeted in previous years, for an Enterprise Content Management system. This system will allow the City to capture, store, and manage documents electronically.

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 110,140	\$ 59,801	\$ 101,786	\$ 109,400	\$ 115,381
Benefits	\$ 38,681	\$ 31,006	\$ 40,462	\$ 38,602	\$ 41,313
Supplies	\$ 1,292	\$ 319	\$ 392	\$ 1,255	\$ 2,250
Services	\$ 11,113	\$ 10,145	\$ 4,078	\$ 8,780	\$ 45,525
Total City Clerk	\$ 161,226	\$ 101,271	\$ 146,718	\$ 158,038	\$ 204,469

FTE Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Adpoted	Approved
Reception/Office Assistance	0.56	1.24	0.7	0.72	0.72
Deputy Clerk	0	0	0.74	0.82	0.72
City Clerk*	0.61	0.79	0	0	0
Finance Director/City Clerk	0	0	0.35	0.38	0.37
	1.17	2.03	1.79	1.92	1.81

*The City Clerk was combined with Finance Director in 2014.

Finance

The purpose of the Finance Department is to provide administrative support and information services to the public and City departments, maintain financial information in accordance with general accounting principles, and to ensure compliance to legal and prudent fiscal requirements in all financial and procedural operations. The Finance Department includes the Finance Director/Treasurer, Senior Accountant, Accountant, and Office Assistants/Receptionists.

The Finance Department has many different areas of responsibility. The following gives a brief description of each:

Administration: To provide planning, organization, and control over the Finance Department functions and overall City financial matters.

Treasury: Responsible for cashiering and cash control, investment of City funds, and debt service payment processing. Financing services include issuance of bonds, interfund loans, etc.

Budget Accounting and Reporting: Provides for financial record keeping including budgeting, accounting, reporting, audit assistance, grant accounting, ongoing balancing, and control.

Personnel Services: Responsible for payroll processing, federal and State reporting of taxes, retirement, insurance, and other deductions.

Purchasing: Provides coordination of purchasing by the departments, processes vendor payments, handles insurance claims, assists in obtaining competitive bids for best prices.

Data Processing: Responsible for financial systems data processing including budgeting, accounting and payroll.

2017 Budget Highlights

- The increase in salaries and benefits is due to the Senior Accountant position being budgeted for 12 months in 2017. The position was filled in August 2016.
- The City expects an increase in credit card services and annual software maintenance charges, causing an increase in services for 2017.

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 76,943	\$ 118,370	\$ 118,446	\$ 153,800	\$ 198,123
Benefits	\$ 24,816	\$ 34,434	\$ 38,962	\$ 57,587	\$ 72,690
Supplies	\$ 1,391	\$ 2,164	\$ 1,665	\$ 3,110	\$ 3,500
Services	\$ 111,189	\$ 32,731	\$ 39,836	\$ 62,022	\$ 121,220
Total Finance	\$ 214,339	\$ 187,698	\$ 198,910	\$ 276,519	\$ 395,533

FTE Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Approved
Reception/Office Assistance	0.08	0	0.7	0.7	0.72
Accountant	0.5	0.65	0.75	0.7	0.75
Senior Accountant	0	0	0	0	0.74
Finance Director/City Clerk	0.4	0.64	0.36	0.38	0.37
	0.98	1.29	1.81	1.78	2.58

Human Resources

The Human Resources Department's major objective is to develop a Labor Relations and Human Resources Department for the City that is multifaceted and provides support to the public, the Lake Stevens City Council, City Administration, Civil Service Commission, and all other departments.

The Human Resources Department is responsible for providing services for City employment and benefits, employee relations, City employee training, risk management, and wellness. In addition, the department provides staff support to the Civil Service Commission.

2017 Budget Highlights

- A salary survey of \$25,000 is budgeted in services for 2017.

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 50,140	\$ 73,587	\$ 76,613	\$ 78,145	\$ 162,014
Benefits	\$ 13,782	\$ 21,070	\$ 21,856	\$ 23,099	\$ 51,346
Supplies	\$ 1,417	\$ 1,437	\$ 1,398	\$ 1,796	\$ 2,750
Services	\$ 4,770	\$ 5,852	\$ 5,381	\$ 9,221	\$ 42,716
Total Human Services	\$ 70,109	\$ 101,947	\$ 105,248	\$ 112,261	\$ 258,826

FTE Summary

	2013	2014	2015	2016
	Actual	Actual	Actual	Actual
Human Resources Director	0.58	0.8	0.8	0.8
	0.58	0.8	0.8	0.8

Information Technology

The purpose of the Information Technology Department is to provide technology services to all City Departments through development, implementation, training, and maintenance of the City's technology infrastructure.

The Information Technology Department is responsible for managing the City's growing technology infrastructure. This includes project management, website development, data and internet security, backup and recovery maintenance and support of application systems, network and desktop technology, telecommunication systems and IT plans in support of City goals and objectives.

2017 Budget Highlights

- There are no significant changes in the 2017 budget over the 2016 budget.

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 113,389	\$ 141,387	\$ 137,403	\$ 141,205	\$ 148,018
Benefits	\$ 47,410	\$ 62,187	\$ 59,672	\$ 62,701	\$ 68,196
Supplies	\$ 574	\$ 984	\$ 432	\$ 590	\$ 5,200
Services	\$ 4,507	\$ 1,865	\$ 3,649	\$ 27,923	\$ 23,700
Total Information Technology	\$ 165,881	\$ 206,423	\$ 201,156	\$ 232,419	\$ 245,114

FTE Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Approved
IT Manager	0.7	0.84	0.8	0.82	0.83
IT Specialist	0.7	0.84	0.8	0.82	0.83
	1.4	1.68	1.6	1.64	1.66

Planning & Community Development

The Goal of the Department of Planning and Community Development (DPCD) is to efficiently provide effective and fair administration of land use planning, development permitting, coordination of economic development, parks and recreation services, and building and fire services.

The DPCD has many different areas of responsibility. The following is a brief description of each.

Operational Planning and Long Range Planning: Provide comprehensive planning services including administering, maintaining and updating Comprehensive Plan and Land Use Code; preparing local and regional facility plans; conducting interlocal agreement negotiations; and coordinating annexations. Write grants as appropriate. Develop and maintain the City's Geographic Information System (GIS) and Permit Tracking software. Review and comment on State, Federal and Snohomish County regulation changes and land use permit applications in the Lake Stevens Urban Growth Area. Coordinate legal issues with the City Attorney. Coordinate with and represent the City at various groups Snohomish County Tomorrow' Planning Advisory Committee, and the AWC Planning Director's Association.

Development Review: Administer the land use code, coordinate review on all land use applications, review business licenses, conduct pre-application conferences, monitor fees and deposits. Implement the City's permit tracking system. Manage the City's Land Use, Subdivision, SEPA, Shorelines, and Critical Areas codes and other land use processes. Provide staff support for the Hearing Examiner, Planning Commission, Park Board and Design Review Board.

Code Enforcement: Assist in code enforcement activities, particularly as related to the Land Use, Building and Fire Codes.

Support Functions: Provide staff support for City Council, Planning Commission, Park Board, Snohomish County Tomorrow, and various *ad hoc* committees.

Building: Review building permit applications, issue building permits, conduct plan review, and administer the Uniform Building Code, Uniform Plumbing Code, Uniform Mechanical Code, etc. Monitor building permit fees, perform inspections, and perform code enforcement activities, particularly with regard to the building code enforcement activities, particularly with regard to the building code.

Parks: The Parks Division acts as Liaison to the Parks Board, coordinates parks and recreation planning for policy development, recreation programs and capital projects with affected departments and stakeholders. Write grants as appropriate.

Economic Development: The Economic Development Division is responsible for recruiting new businesses into the city in support of the city planning efforts, coordinating with the Chamber of Commerce on business retention and expansion opportunities, and promoting opportunities for tourism and special events. Write grants as appropriate.

2017 Budget Highlights

- Salary and benefit increases are due to positions posted and filled in 2016 that are now budgeted for a full year in 2017.
- Services in 2016 include economic development costs of \$179,000 that was rolled over from 2015. Budget reduced in 2017.

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Planning					
Salaries	\$ 331,077	\$ 248,832	\$ 310,221	\$ 433,500	\$ 508,613
Benefits	\$ 127,853	\$ 121,566	\$ 131,543	\$ 179,044	\$ 205,242
Supplies	\$ 3,238	\$ 3,887	\$ 5,342	\$ 8,914	\$ 23,000
Services	\$ 85,628	\$ 50,360	\$ 56,184	\$ 316,328	\$ 219,284
Capital	\$ 5,430	\$ -	\$ -	\$ -	\$ -
Subtotal Planning	\$ 553,226	\$ 424,644	\$ 503,289	\$ 937,786	\$ 956,139
Building					
Salaries	\$ 132,502	\$ 168,681	\$ 187,447	\$ 199,732	\$ 288,314
Benefits	\$ 55,883	\$ 69,373	\$ 67,906	\$ 88,015	\$ 141,413
Supplies	\$ 3,036	\$ 3,212	\$ 3,988	\$ 6,842	\$ 6,600
Services	\$ 6,045	\$ 4,362	\$ 36,230	\$ 99,344	\$ 20,200
Capital	\$ -	\$ -	\$ -	\$ 25,318	\$ 10,000
Subtotal Building	\$ 197,466	\$ 245,628	\$ 295,570	\$ 419,251	\$ 466,527
Total Planning & Community Development	\$ 750,692	\$ 670,272	\$ 798,860	\$ 1,357,037	\$ 1,422,666

FTE Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Approved
Building					
PW/Planning Coordinator	0.25	0	0	0	0
Permit Specialist	0.5	0.3	0.7	0.7	0.7
Planning Director	0.12	0.29	0.29	0.25	0.25
Building Official	0.9	1	1	1	1
Building Inspector	0	1	1	0	0
Building Inspector/Code Compliance	0	0	0	1	2
City Clerk/Amin. Assistant	0.1	0	0	0	0
Subtotal Building	1.87	2.59	2.99	2.95	3.95
Planning					
Reception/Office Assistance	0.2	0	0	0	0
PW/Planning Coordinator	0.25	0.5	0	0	0
Permit Specialist	0.5	0.3	0.7	0.7	0.7
Planning Director	0.53	0.29	0.29	0.25	0.25
Associate Planner	1	1	1	2	1
Assistant Planner	0	0	0	0	1
Project Planner	1	1	0	0	0
Economic Develop. Coordinator	0	0	1	1	1
Senior Planner	1	1	2	1	2
Park & Recreation Coordinator	0	0	0	0	1
Subtotal Planning	4.48	4.09	4.99	4.95	6.95
	6.35	13.36	15.96	15.8	21.8

Law Enforcement

The Police Department is a full service law enforcement agency, providing a full range of community police services. The City enjoys a low violent crime rate because of the partnership between the residents, the police services staff, and the City Council.

The Police Department is divided into the following areas of responsibilities:

Administration

The Police Chief is responsible for planning, organizing and leading the Police Department. The Chief Develops, directs and evaluates programs and policies that provide the community with effective and efficient policing services. The Chief directs personnel-related activities, including the organization of functional areas, approval of plans and activities, performance appraisal, counseling and disciplining and the recommendation of staff hires and promotions. The Chief also serves as the police liaison with other agencies, regional service providers, and community groups.

Supervision (Sergeants and Police Administrative Manager)

Lieutenants and Sergeants provide day to day supervision of patrol, marine, school resource, police support and investigation officers. Lieutenants oversee training program, emergency management, fleet and internal affairs. Sergeants take the lead in special department operations like Aquafest and other City permitted events.

The Police Administrative Manager supervises the Police Records Clerks, Evidence Technician, office volunteers and college interns. In addition, this person oversees budget tracking, department accreditation and policy manual, provides routine information to the media, and coordinates the department's public education efforts.

Patrol

The Patrol function is the most visible service provided by the Police Department. Police officers provide public safety services that include responding to calls for service from the public; investigating criminal activity; responding to community needs; education; traffic safety services; boating safety services; and crime prevention. They work with other city departments and community members to solve and prevent problems.

Investigations

Police Detectives are the main investigations unit in the Police Department. They are highly trained and investigate a wide range of crimes committed in Lake Stevens. They also act as liaisons with other agencies as they investigate crimes that are regional in nature.

2017 Budget Highlights

- Addition of a new traffic unit officer with equipment, increasing salaries and benefits.
- Addition of a new records supervisor, increasing salaries and benefits.
- Intergovernmental expenditures include jail costs that vary. In 2016 the City did not receive 3rd quarter jail billings due to delayed invoicing. Those invoices will be budgeted and paid in 2017.

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 2,363,865	\$ 2,524,196	\$ 2,700,268	\$ 2,954,262	\$ 3,603,242
Benefits	\$ 889,684	\$ 1,023,701	\$ 1,050,056	\$ 1,158,863	\$ 1,332,367
Supplies	\$ 128,814	\$ 144,482	\$ 151,433	\$ 152,637	\$ 204,766
Services	\$ 310,460	\$ 304,277	\$ 442,598	\$ 629,909	\$ 633,597
Intergovernmental	\$ 755,391	\$ 662,099	\$ 640,027	\$ 596,943	\$ 715,150
Capital	\$ -	\$ 26,946	\$ 38,563	\$ 22,430	\$ -
Transfers	\$ -	\$ 8,150	\$ 8,000	\$ 8,000	\$ 8,200
Total Law Enforcement	\$ 4,448,213	\$ 4,693,852	\$ 5,030,946	\$ 5,523,044	\$ 6,497,322

FTE Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Approved
Chief	1	1	1	1	1
Police Commander	1	1	1	1	0
Police Lieutenant	0	0	1	1	2
Police Sergeant	5	5	4	4	5
Detective	2	2	3	3	3
Traffic	1	0	0	0	1
Officer	15	18	15	15	16
SRO	0	0	2	2	2
Code Enforcement	1	0	0	0	1
Records Clerk	4	4	4	4	4
Records/Evidence Clerk	0	0	0	0	1
Administrative Manager*	0	0	0	0	1
Administrative Supervisor	1	1	1	1	0
Records Supervisor	0	0	0	0	1
	31	32	32	32	38

*Administrative Supervisor changed to Manager in 2017

Parks

Parks- Shared responsibility between Planning & Community Development (PCD) and Public Works. The PCD is responsible for park planning and development, as well as recreation programming (teen/youth recreation services). Represent the City's interests in regional park development and recreation programming. Seek funding for parks through grants and other sources. Coordinate with Snohomish County on Regional parks planning. Public Works is responsible for park maintenance and physical park development, buoy maintenance, and responding to acts of vandalism at park facilities. Public Works also performs landscaping activities in the public right-of-way.

2017 Budget Highlights

- Addition of a new Mechanic position, increasing salaries and benefits.
- FTE adjustment of Park crew to align costs with benefiting department, increasing salaries and benefits.

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 50,792	\$ 23,171	\$ 29,172	\$ 99,184	\$ 234,601
Benefits	\$ 19,240	\$ 6,715	\$ 8,077	\$ 42,126	\$ 98,592
Supplies	\$ 17,367	\$ 11,488	\$ 19,307	\$ 69,325	\$ 38,800
Services	\$ 23,149	\$ 27,255	\$ 47,867	\$ 85,851	\$ 113,407
Capital	\$ -	\$ -	\$ -	\$ 118,058	\$ 12,000
Total Park	\$ 110,548	\$ 68,628	\$ 104,424	\$ 414,546	\$ 497,400

FTE Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Approved
Park Crew Leader	0	0	0	0.04	0.2
Park Crew Worker 1	0.06	0.06	0.06	0.15	1.3
Park Crew Worker 2	0	0	0	0.12	0.6
PW Inspector	0	0	0	0	0.1
PW Director	0.04	0.04	0.04	0.02	0.1
Season Parks Worker	0	0	1	1	2
Equipment Mechanic	0	0	0	0	0.34
Community Dev Director	0.02	0.02	0.02	0.1	0.15
PW Admin Assistant	0	0	0.1	0.05	0.1
PW Superintendent	0.01	0.01	0.01	0.05	0.05
	0.13	0.13	1.23	1.53	4.94

Legal

Provides for general and prosecuting legal services which includes: providing legal advice to the Mayor/City Council and City Staff in conforming to State and Federal law in all municipal matters; developing actions to defend or attain the City's best interest by agreement or court actions; and, prosecuting violations of City ordinances.

The City contracts with Zachor and Thomas Inc. for prosecuting services.

The City contracts with Feldman and Lee for Indigent defense services.

The City contracts with Weed Graffstra & Associates Inc. for general council.

2017 Budget Highlights

- A grant was obtained for part time social worker services in 2017.

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Professional Service	\$ 79,029	\$ 131,977	\$ 128,832	\$ 190,605	\$ 150,000
Prosecutor Fees	\$ 98,275	\$ 102,960	\$ 107,078	\$ 130,362	\$ 147,000
Travel	\$ -	\$ 64	\$ 138	\$ -	\$ -
General Indigent Defense	\$ 72,985	\$ 88,508	\$ 116,753	\$ 116,963	\$ 175,000
Intergovernmental (Grant)	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Total Legal	\$ 250,288	\$ 323,508	\$ 352,801	\$ 437,930	\$ 502,000

Community

Provides for maintaining and housing the Lake Stevens Library, the Lake Stevens Historical Society, the Visitor Information Center, the Lake Stevens Senior Center, and the Community Center. The actual operating costs of the library are provided by contract between the City and Sno-Isle Library District.

2017 Budget Highlights

- The City budgeted a \$20,000 contribution to the Senior Center for 2017.

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Supplies	\$ 13,259	\$ 12,351	\$ 24,162	\$ 20,917	\$ 12,450
Professional Service	\$ 17,671	\$ 24,351	\$ 47,008	\$ 33,072	\$ 49,353
Capital	\$ -	\$ 9,546	\$ -	\$ -	\$ -
Total Community	\$ 30,930	\$ 46,248	\$ 71,170	\$ 53,988	\$ 61,803

General Government

The purpose of General Government and Miscellaneous accounts in the General Fund are to provide for those items that are used or expended for the benefit of multiple departments but not directly chargeable to one specific department. The General Government and Miscellaneous accounts represent less than one staff position, and the supervision and management of these accounts are primarily shared between the Administration Department and Finance Department.

2017 Budget Highlights

- Includes a Property Purchase in capital.
- Includes City Hall – Temporary Facility costs in capital.
- Includes a \$1 per population contribution (\$30k) to the Snohomish Health District.
- Addition of an Administrative Assistant, supervised by the Human Resources Director.
- Salary and benefit increases are due to Mechanic position posted and filled in 2016 that are now budgeted for a full year in 2017

Expenditure Summary

	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 2,729	\$ 14,433	\$ 20,547	\$ 23,072	\$ 70,433
Benefits	\$ 723	\$ 6,241	\$ 8,487	\$ 9,082	\$ 35,634
Supplies	\$ 9,792	\$ 9,633	\$ 13,182	\$ 12,518	\$ 18,600
Professional Service	\$ 249,212	\$ 354,639	\$ 363,246	\$ 452,634	\$ 420,742
Intergovernmental	\$ 50,063	\$ 51,566	\$ 56,819	\$ 61,527	\$ 62,634
Capital	\$ -	\$ -	\$ -	\$ 2,548,631	\$ 4,372,609
Tranfers	\$ 652,502	\$ 733,277	\$ 1,179,815	\$ 1,119,832	\$ 1,280,500
Total Community	\$ 965,021	\$ 1,169,789	\$ 1,642,096	\$ 4,227,296	\$ 6,261,152

FTE Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Approved
PW Crew Leader	0.02	0.02	0.02	0.02	0.1
PW Crew Worker 1	0.02	0.02	0.03	0.15	0.15
PW Crew Worker 2	0.05	0.05	0.06	0.12	0.3
PW Inspector	0	0	0	0	0.05
PW Director	0.04	0.04	0.04	0.02	0.05
Equipment Mechanic	0	0	0	0.34	0.34
PW Admin Assistant	0	0	0.1	0.05	0.05
Admin Assistant	0	0	0	0	1
PW Superintendent	0.05	0.05	0.05	0.05	0.05
	0.18	0.18	0.30	0.75	2.09

Contingency Reserve Fund

The purpose of this fund is to provide a reserve or safety net for the General Fund in the event of an abnormal budget or catastrophic event which would require emergency resources. Currently, the City has budgeted a transfer up to \$300,000 per year in construction sales tax to this fund for capital related purchases. This helps align one-time money with a one-time capital expenditure.

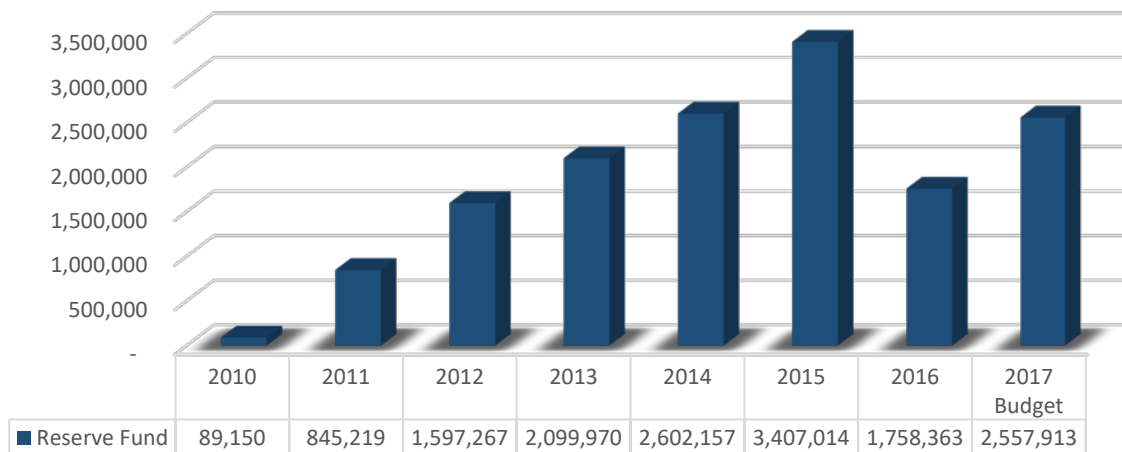
2017 Budget Highlights

- There are no significant changes in the 2017 budget over the 2016 budget.

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Unclaimed Checks Paid	\$ -	\$ -	\$ -	\$ -	\$ 8,050
GR - Interfund Transfer Out	\$ -	\$ -	\$ -	\$ 2,461,824	\$ -
Total Contingency Fund	\$ -	\$ -	\$ -	\$ 2,461,824	\$ 8,050

Reserve Fund - Fund Balance



Street Fund

The purpose of the Public Works Department's Street Fund is to provide for the maintenance and operation of the City's network of streets, avenues, cul-de-sacs, alleys, pedestrian, bikeway and related facilities. This includes: street striping, traffic control devices, overlays, patches, mowing of shoulders, shoulder maintenance, and the necessary vehicles and equipment to accomplish the required work. Work that has a major impact on water quality, such as ditch maintenance, street and bikeway sweeping, are shared with the Storm and Surface Water Fund 410. The Street Fund pays portions of the salaries of the City staff involved with the operation of the streets, street system, administration, and related activities.

The Street Fund has several areas of responsibility.

Administration

This includes salaries, benefits, overtime, office supplies and insurance.

Street Maintenance

This includes filling of potholes, shoulder repair, overlays, curb and sidewalk repair. Special seasonal tasks include mowing of shoulder areas and control of ice and snow. Maintenance, fuel and operation costs of street equipment are also included.

Engineering/Design

Professional services of consultants working on projects for the City, and costs of right-of-way acquisition.

Street Lighting

Payment to Snohomish County PUD for installation of streetlights and the electricity to operate them. Includes costs of maintenance performed by PUD.

Capital Projects

The Street Fund includes construction and maintenance types of capital projects. Construction types include sidewalk and road projects, whereas maintenance types include projects such as overlays.

City of Lake Stevens, Washington
Fund: Street Fund - Continued

Expenditure Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 549,091	\$ 578,532	\$ 662,389	\$ 642,502	\$ 824,394
Benefits	\$ 232,097	\$ 250,100	\$ 301,005	\$ 325,165	\$ 318,941
Supplies	\$ 75,156	\$ 64,233	\$ 118,915	\$ 124,288	\$ 118,000
Professional Service	\$ 568,792	\$ 464,092	\$ 721,864	\$ 901,397	\$ 940,930
Intergovernmental	\$ 9,063	\$ 9,063	\$ 9,115	\$ 9,115	\$ 9,063
Capital	\$ 39,749	\$ 3,800	\$ 25,524	\$ 101,834	\$ 199,696
Debt	\$ -	\$ -	\$ 913	\$ 919	\$ 901
Tranfers	\$ 47,608	\$ 48,417	\$ 142,115	\$ 685,558	\$ 598,300
Total Street Fund	\$ 1,521,556	\$ 1,418,236	\$ 1,981,839	\$ 2,790,778	\$ 3,010,225

FTE Summary

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Adpoted	Approved
Senior Engineer*	0	0	0	0	1
Civil Engineer	0.5	0.5	0.5	1	0
Engineering Technician	0.5	0.5	0.5	0	0
PW Crew Leader	0.97	0.97	0.97	0.97	0.9
PW Crew Worker 1	0.94	0.94	1.41	1.35	1.35
PW Crew Worker 2	2.43	2.43	2.91	2.88	2.7
PW Inspector	0	0	0	0	0.45
PW Director	0.4	0.4	0.4	0.38	0.45
Equipment Mechanic	0	0	0	0	0.16
PW Admin Assistant	0	0	0.4	0.45	0.45
PW Superintendent	0.45	0.45	0.45	0.45	0.45
Deputy City Clerk	0.11	0.11	0.18	0.14	0.23
Planning Coordinator	0.25	0.25	0	0	0
Permit Specialist	0.4	0.4	0.4	0.4	0.4
City Administrator	0.14	0.14	0.15	0.14	0.16
Receptionist/Cashier	0.4	0.4	0.34	0.34	0.32
Finance Director/City Clerk	0.16	0.16	0.16	0.14	0.16
Community Dev Director	0.4	0.4	0.4	0.2	0.15
Senior Accountant	0	0	0	0	0.14
Accountant	0.13	0.13	0.12	0.15	0.13
H.R. Director	0.09	0.09	0.09	0.11	0.1
IT Specialist	0.08	0.08	0.1	0.08	0.09
IT Manager	0.08	0.08	0.1	0.08	0.09
	8.43	8.43	9.58	9.26	9.88

*Civil Engineer changed to Senior Engineer in 2017

City of Lake Stevens, Washington
Special Revenue Funds

Special Revenue Funds

There are three smaller special revenue funds. The Street Reserve, Drug Seizure & Forfeiture, and Municipal Arts Fund.

Street Reserve

The purpose of this fund was to provide a reserve or “safety net” for the Street Fund in the event of an abnormal budget event or catastrophe which would require emergency resources.

Drug Seizure & Forfeiture

The purpose of this fund is to account for the proceeds of items forfeited in accordance with RCW 69.50.505 Seizure and Forfeiture. The net proceeds of forfeited property will be deposited and receipted into this fund. State remittance payments and expenditures related to controlled substances law enforcement activity will be made from this fund according to applicable laws and regulations

Municipal Arts

The City recognizes its responsibility to foster culture and the arts and has an interest in the viable development of the arts. This fund is designated a reserve fund for arts purposes.

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Street Reserve					
Tranfers	\$ -	\$ -	\$ -	\$ -	\$ -
Drug Seizure & Forfeit					
Operating Costs	\$ 2,087	\$ 2,286	\$ 6,372	\$ 922	\$ 41,000
Municipal Arts					
Operating Costs	\$ -	\$ -	\$ 10,000	\$ -	\$ -
Total Speical Revenue	\$ 2,087	\$ 2,286	\$ 16,372	\$ 922	\$ 41,000

Debt Service Funds

The Debt Service Funds receive transfers to pay principal and interest for City's outstanding debt obligations.

Debt Service: 2008 Bonds

This fund is to account for the 2008- A and 2008- B bonds. A portion of the bonds were used to refund the 1997 bonds, and a portion of these bonds were used to fund the purchase of property for the potential future civic center. In July of 2010, the City refunded the 2008-B bonds. Those bonds are now the 2010-B Bonds and are accounted for with all associated fees in the 2010 LTGO Bond fund.

The Lake Stevens Sewer District reimburses the City for its portion of the refunded 1997 bonds.

Debt Service: 2010 LTGO Bonds

In 2010, the 2008 series B bonds were refunded into the 2010 series B bonds, the principle of which came due and was paid in full in 2015. The remainder of the 2010 bond, or series A bonds, were used for the purchase of the City Shop. The additional issuance is backed by the general revenues of the City but will be paid from real estate excise revenues.

Debt Service: 2015 LTGO Bonds

In 2015, the 2004 bonds were refunded into the 2015 bond. The original 2004 bond was used for the purchase and installation of the Police Department modular building. The principal of the 2015 issue will come due in 2023. This debt service is being paid from real estate excise tax collections.

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
2008 Bonds	\$ 366,448	\$ 359,249	\$ 351,402	\$ 353,368	\$ 354,395
2010 LTGO Bonds	\$ 94,912	\$ 94,912	\$ 549,912	\$ 74,166	\$ 74,165
2015 LTGO Bonds	\$ -	\$ -	\$ 870,322	\$ 97,600	\$ 93,908
Total	\$ 461,360	\$ 454,161	\$ 1,771,637	\$ 525,134	\$ 522,468

Debt Limitation

The City is limited on the amount of debt that can be used to finance projects. Washington State law establishes two limits. The first limit is 2.5% of taxable property value and is the maximum amount of debt the City can hold. The general purpose limit is \$83 million at the end of 2016. The second is 1.5% of taxable property value, which is the limit the City can obtain debt without voter approval. This limit was \$50 million at the end of 2016.

City of Lake Stevens, Washington
Capital Funds

Capital Funds

The Capital funds account for costs to construct, repair, or improve the City's long-term capital equipment or assets. Capital Improvements include the construction of new, or the significant repair of: streets, storm drain system, parks, buildings, or other facilities. Capital Improvement expenditures are mainly one-time in nature, with replacement not required for many years.

Capital Projects – Developer Contributions

This fund collects and distributes funds collected through mitigation impact fees assessed to developers when a piece of property is developed. The impact fees may be assessed for such things as traffic or parks. The fees are maintained in this fund until a project that matches the purpose of the funds has begun. More detail on capital projects can be found in the expenditure summary section of this budget.

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Park Mitigation Exp				\$ 14,594	\$ 686,000
Park - Cap Parking Lot	\$ 619	\$ -	\$ -	\$ -	\$ -
Parks	\$ 188	\$ -	\$ -	\$ -	\$ -
Tree Mitigation Exp	\$ -	\$ -	\$ -	\$ 977	\$ 57,500
20th Street Op - Planning -Design	\$ 38,650	\$ -	\$ -	\$ 403,637	\$ 960,000
TIZ 1 Capital Expenditures	\$ 38,838	\$ -	\$ 272,900	\$ 154,000	\$ -
TIZ 2 Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 480,000
TIZ 3 Capital Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 550,000
Total Capital Projects-Developer	\$ 78,295	\$ -	\$ 272,900	\$ 573,208	\$ 2,733,500

Real Estate Excise Tax I

The purpose of this fund is to collect the proceeds from the first ¼ of one percent real estate excise tax and to expend the resources on capital improvement projects as specified by the RCWs. Typical expenditures from this fund have included lake restoration activities, park purchases, as well as street and sidewalk projects.

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Transfer to Police St Debt Fad	\$ 103,320	\$ 105,721	\$ 101,865	\$ 97,300	\$ 93,908
Transfer to 210 for 2008 bonds	\$ 229,472	\$ 225,133	\$ 220,456	\$ 220,623	\$ 220,371
Transfer to 212 for 2010 Bonds	\$ 20,748	\$ 20,748	\$ 475,748	\$ -	\$ -
800 MHZ Capital Debt Principal	\$ 13,970	\$ 14,738	\$ 15,549	\$ 16,504	\$ 17,306
800 MHZ Capital Debt Interest	\$ 8,648	\$ 7,880	\$ 7,069	\$ 6,214	\$ 5,312
Tressle/HOV Lane (local portion)	\$ -	\$ -	\$ -	\$ -	\$ 800,000
REET 1	\$ 376,158	\$ 374,219	\$ 820,687	\$ 340,641	\$ 1,136,897

City of Lake Stevens, Washington
Capital Funds Continued

Real Estate Excise Tax II

The purpose of this fund is to collect the proceeds from the second ¼ of one percent real estate excise tax and to expend the resources on capital improvement projects as specified by the RCWs. Typical expenditures from this fund have included street, sidewalk, and drainage improvement projects.

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Capital - 91st	\$ -	\$ -	\$ -	\$ -	\$ 235,250
Capital - Callow Road	\$ -	\$ -	\$ -	\$ -	\$ 450,000
79th Ave. SE Access Road	\$ -	\$ -	\$ -	\$ -	\$ 1,122,000
Capital - SWM Drainage Improve	\$ -	\$ -	\$ 18,175.60	\$ 22,249	\$ -
Capital - Trans - Land Improve	\$ -	\$ -	\$ -	\$ 945,738	\$ -
Regional Storm Pond	\$ -	\$ -	\$ -	\$ -	\$ 800,000
Transfer to 212 for 2010A Bond	\$ 74,164.18	\$ 74,164.18	\$ 74,164.18	\$ 74,164	\$ 74,165
REET II	\$ 74,164	\$ 74,164	\$ 92,340	\$ 1,042,152	\$ 2,681,415

Sidewalk Capital

The purpose of this fund is to provide for the accumulation of resources that are restricted, committed, or assigned for expenditure for sidewalk capital outlays. This fund was created in 2011 with a transfer of Street funds intended for sidewalk construction.

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Sidewalk Construction	\$ 290,965.54	\$ -	\$ 268,368.51	\$ 573,251	\$ -
91st Ave. SE & 4th St. SE (safer route)	\$ -	\$ -	\$ -	\$ -	\$ 19,750
Cedar Road (Forest Rd - 29th)	\$ -	\$ -	\$ -	\$ -	\$ 160,750
Lundeen Pkwy (Lake - Callow)	\$ -	\$ -	\$ -	\$ -	\$ 26,500
117th Ave NE (22nd St.- 26th St)	\$ -	\$ -	\$ -	\$ -	\$ 143,000
Sidewalk Capital	\$ 290,966	\$ -	\$ 268,369	\$ 573,251	\$ 350,000

Enterprise Funds

Enterprise Funds account for operations that are normally financed and operated in a manner similar to private business enterprises. These funds typically charge users a fee for services provided. Funds collected are spent within the fund for operating and capital needs.

Sewer Fund

Prior to 2005 the City maintained its own sewer system. During 2005 the City and the Lake Stevens Sewer District combined their respective sewer systems to reduce any duplication of services in order to most effectively fund the construction of a new waste water treatment plant. The City's expenditures are related to the City's role in providing customer service support and involvement in jointly planning for the expansion of the system including the new treatment plant. The City also makes debt service payments for sewer related debt which is reimbursed by the Sewer District.

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 85,158	\$ 75,091	\$ 45,841	\$ 46,142	\$ 17,080
Benefits	\$ 31,844	\$ 26,505	\$ 16,418	\$ 16,802	\$ 7,055
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Service	\$ 9,630	\$ 9,329	\$ 9,833	\$ 10,410	\$ 10,378
Debt	\$ -	\$ -	\$ 1,179,344	\$ 1,305,694	\$ 1,300,782
Transfers	\$ 1,326,760	\$ 1,319,754	\$ 130,946	\$ -	
Total Sewer	\$ 1,453,393	\$ 1,430,680	\$ 1,382,381	\$ 1,379,048	\$ 1,335,295

Storm and Surface Water Fund

The Storm and Surface Water Fund is an enterprise fund under the Public Works Department. The role of the department with respect to this fund is to provide for the maintenance and operation of the City's storm drainage system, lake and stream maintenance and restoration, street runoff, and roadside ditch and culvert maintenance. This includes restoration projects, such as, the hypo limnetic aerator, non-point stream improvements, and related educational activities, as well as detention ponds, underground vaults, stream bank and ditch maintenance. This fund does not provide erosion control and enforcement or inspection services for new development. Those services are funded by development fees and charged to the General Fund which collects the development fees.

City of Lake Stevens, Washington
Enterprise Funds Continued

Expenditure Summary Surface Water

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Salaries	\$ 526,546	\$ 453,295	\$ 538,355	\$ 585,989	\$ 758,864
Benefits	\$ 220,662	\$ 215,162	\$ 221,812	\$ 234,395	\$ 278,869
Supplies	\$ 27,975	\$ 49,830	\$ 40,723	\$ 73,539	\$ 66,450
Professional Service	\$ 215,055	\$ 278,713	\$ 304,602	\$ 298,421	\$ 325,900
Intergovernmental	\$ 53,317	\$ 65,040	\$ 58,739	\$ 83,104	\$ 70,000
Grant	\$ 65,985	\$ 64,009	\$ 24,403	\$ 14,196	\$ -
Capital	\$ 10,700	\$ 10,700	\$ 10,700	\$ 55,272	\$ 161,396
Debt					
Transfers	\$ 61,556	\$ 27,117	\$ 97,045	\$ 167,488	\$ 514,945
Total Storm & Surface Water	\$ 1,181,796	\$ 1,163,866	\$ 1,296,378	\$ 1,512,405	\$ 2,176,424

FTE Summary Surface Water

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Approved
City Administrator	0.09	0.09	0.1	0.09	0.09
Deputy City Clerk	0.06	0.06	0.07	0.04	0.05
Receptionist/Cashier	0.18	0.18	0.24	0.22	0.22
Accountant	0.1	0.1	0.12	0.12	0.11
Senior Accountant	0	0	0	0	0.11
Finance Dir. /City Clerk	0.1	0.1	0.12	0.09	0.09
H.R. Director	0.11	0.11	0.11	0.09	0.1
IT Specialist	0.08	0.08	0.1	0.1	0.08
IT Manager	0.08	0.08	0.1	0.1	0.08
Permit Specialist	0	0	0.2	0.2	0.2
Community Dev Director	0	0	0	0	0.1
Engineering Technician	0.5	0.5	0.5	1	1
Civil Engineer	0.5	0.5	0.5	0	0
PW/Planning Coordinator	0.25	0.25	0	0	0
PW Admin Assistant	0	0	0.4	0.45	0.4
PW Crew Leader	0.97	0.97	0.97	0.97	0.8
PW Crew Worker I	0.94	0.94	1.41	1.35	1.2
PW Crew Worker II	2.425	2.425	2.91	2.88	2.4
PW Inspector	0	0	0	0	0.4
PW Superintendent	0.45	0.45	0.45	0.45	0.45
PW Director	0.32	0.32	0.32	0.38	0.4
Seasonal Worker	0	0	0	0	2
Equipment Mechanic	0	0	0	0	0.16
	7.16	7.16	8.62	8.53	10.44

City of Lake Stevens, Washington
Internal Service Funds

Internal Service Funds

Internal service funds are designed to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City. Major funds contribute to the Internal Service funds based on allocation amounts or the specific user of the item purchased. The City has five internal service funds: Unemployment, Capital Equipment Computer, Capital Equipment Police, Capital Equipment Public Works, and Aerator Equipment.

	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Unemployment					
Payments to Claimants	\$ 15,554	\$ -	\$ 8,430	\$ 5,994	\$ 30,000
Capital Equip - Computer					
Equipment/Software	\$ 32,337	\$ 87,872	\$ 127,761	\$ 92,996	\$ 267,000
Capital Equip - Police					
Equipment/Vehicles	\$ 70,661.36	\$ 131,891.57	\$ 151,636.20	\$ 216,894	\$ 266,000
Capital Equip - PW					
Equipment	\$ 4,257.00	\$ 48,259.50	\$ 202,960.90	\$ 271,534	\$ -
Sweeper	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Crane Truck	\$ -	\$ -	\$ -	\$ -	\$ 225,000
Flat Bed Truck	\$ -	\$ -	\$ -	\$ -	\$ 85,000
Flat Bed Hydrolicks	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Towable Auger	\$ -	\$ -	\$ -	\$ -	\$ 7,500
Lawn Aerator	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Trailer	\$ -	\$ -	\$ -	\$ -	\$ 5,000
Aerator Equip Replacment					
Equipment	\$ 34,886.22	\$ -	\$ -	\$ -	\$ -
Aerator Removal	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Total Internal Service	\$ 157,696	\$ 268,023	\$ 490,788	\$ 587,418	\$ 1,500,500

City of Lake Stevens, Washington
Fiduciary Funds

Fiduciary Funds

The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds. The City of Lake Stevens has two such funds summarized below.

Refundable Deposits Funds

The purpose of this fund is to collect required deposits made typically by developers or builders as a means of guarantee for certain performance expectations. These deposits are then refunded back to the developer or builder when the work is completed.

Treasurers Trust Fund

The purpose of this fund is to account for the collection of funds which the City is not entitled to keep but rather are sent to other governmental agencies. The revenues are used to pay for the items for which the money was received. Some of the money collected from the issuance of traffic and criminal citations is collected here and used to pay court and state required criminal justice expenditures. The City's share of citations is collected in the General Fund-001. The state has also required a portion of building fees and gun permit fees be collected in this fund and passed on to the state.

Expenditure Summary

Contingency	2013	2014	2015	2016	2017
	Actual	Actual	Actual	Actual	Budgeted
Refundable Deposit					
Retainage Release - Other PW	\$ -	\$ -	\$ -	\$ 4,116	\$ 1,000
Street Project Retainage Reimb	\$ 11,256	\$ 29,960	\$ -	\$ 17,927	\$ 50,000
Retainage -Public Bldg Maint				\$ 434	\$ 10,000
Subtotal Refundable Deposit	\$ 11,256	\$ 29,960	\$ -	\$ 22,477	\$ 61,000
Treasurers Trust					
Building - State BI	\$ 920	\$ 1,087	\$ 1,238	\$ 2,574	\$ 2,000
Gun Permit - State Remittance	\$ 9,800	\$ 8,251	\$ 6,651	\$ 13,076	\$ 10,000
Crime Victims Compensation	\$ 2,951	\$ 2,138	\$ 1,992	\$ 2,218	\$ 3,000
Public Safety And Ed. 1986	\$ 67,614	\$ 52,259	\$ 51,982	\$ 59,562	\$ 68,156
Public Safety And Education	\$ 39,992	\$ 31,185	\$ 30,754	\$ 35,403	\$ 55,000
Judicial Information System-Ci	\$ 12,638	\$ 9,668	\$ 10,277	\$ 15,413	\$ 26,844
Gun Permit - FBI Remittance	\$ 5,594	\$ 4,033	\$ 5,313	\$ 6,980	\$ 4,000
Crime Laboratory Analysis Fee	\$ -	\$ -	\$ -	\$ -	\$ 500
Trauma Care	\$ 4,492	\$ 3,513	\$ 3,822	\$ 4,917	\$ 5,000
School Zone Safety	\$ 319	\$ 565	\$ 982	\$ 783	\$ 1,000
Public Safety Ed #3	\$ 2,357	\$ 1,832	\$ 1,390	\$ 1,401	\$ 3,000
Auto Theft Prevention	\$ 6,258	\$ 4,946	\$ 5,386	\$ 7,016	\$ 6,000
HWY Safety Act	\$ 649	\$ 451	\$ 367	\$ 387	\$ 1,000
Death Inv Acct	\$ 467	\$ 366	\$ 287	\$ 273	\$ 1,500
WSP Highway Acct	\$ 2,493	\$ 2,074	\$ 1,629	\$ 1,547	\$ 2,000
Leasehold Excise Tax Remit	\$ 4,540	\$ 4,634	\$ 2,606	\$ 4,757	\$ 4,500
Fire Dept Fee Remittance	\$ 7,315	\$ 7,280	\$ 10,415	\$ 13,973	\$ 6,500
Subtotal Treasurer Trust	\$ 168,397	\$ 134,281	\$ 135,092	\$ 170,279	\$ 200,000
Total Fiduciary Funds	\$ 179,653	\$ 164,240	\$ 135,092	\$ 192,756	\$ 261,000

Budget Process

The budget is a requirement of State law and constitutes the legal authority for expenditures. Although the City's budget document includes line item detail, the City's budget ordinance is adopted at the fund level so expenditures may not legally exceed appropriations at the fund level of detail.

The budget includes the financial planning and legal authority to obligate public funds. Additionally, the budget provides significant policy direction from the City Council to the Mayor, City staff and the community. As a result, the City Council, Mayor, staff, and public are involved in establishing the budget for the City of Lake Stevens.

The budget process affords both an interesting and challenging opportunity to reassess plans or legislative policies and the means for accomplishing them. It's through this effort that the budget becomes the single most important policy document produced each year

Budgetary Functions

A Policy Document

The budget functions as a policy document in that the decisions made within the budget are designed to "reflect the Major Themes & Policies that guide the actions taken for the future." As a policy document, the budget makes specific attempts to link desired themes and policy direction to the actual day-to-day activities of the City staff.

An Operational Tool

The budget details all of the operations of the City. Activities of each City function and organization have been planned, debated, formalized, and described in the following sections. This process will help to maintain an understanding of the various operations of the City and how they relate to each other and to the attainment of the Major Themes & Policy issues of the City Council.

A Link with the General Public

The budget provides a unique opportunity to allow and encourage public review of City operations. The budget describes the activities of the City, the reason or cause for those activities, future implications, and the direct relationship to the citizenry.

A Legally Required Financial Planning Tool

The budget is a financial planning tool, which has been its most traditional use. In this light, the budget is a State law requirement of all cities, as stated in Title 35A RCW. The budget must be a balanced budget and must be in place prior to the expenditure of any City funds. The budget is the legal authority to expend public monies and controls those expenditures by limiting the amount of the appropriation at the fund level. The revenues of the City are estimated, along with available cash carry-forward, to indicate funds available. The staff's requests for appropriations comprise the disbursement side of the preliminary budget.

Budgetary Process:

The Budget process for the City of Lake Stevens is, in some respects, an on-going, year-round activity. The formal budget planning begins in the summer, with discussions between the Mayor, City Administrator, departments, and the City Council about status of on-going programs, and new policies and objectives for the future which result from the legislative retreat and priority setting process.

The budget and its policies are implemented through the individual departments and the accounting controls of the Finance Department. The budget is monitored by a reporting system consisting of monthly reports to the department heads. Financial reports are issued by the Finance Department which compares actual expenditures and revenues with the budget. In these reports, financial data is presented at the same level of detail as the final budget document. Financial reports are reported to the City Council in summary on a quarterly basis.

Budget preparation actually begins in late spring and early summer with the completion and Council's subsequent review of the six-year financial forecast. Then typically in August, the budget process kicks off with the budget call letter which requests all department heads to complete their departmental expenditure requests.

The City's budget and accounting structure uses funds as a means to collect and record all the revenues and expenditures associated with different departments, areas of service, grants, and other projects. There are three primary funds utilized to track a majority of the City's activities. The first is the General Fund which is responsible for a majority of all departments and general operations of the City. The second fund is the Street Fund which supports a variety of activities associated with building, maintaining, and planning for the City's transportation network. The third fund is the Storm and Surface Water Fund which provides maintenance and operations of the City's storm drainage system and lake restoration efforts.

Preliminary Budget

In September the budget is ready for the Mayor and City Administrator's review. The preliminary budget is prepared and available for City Council and citizen review in November. The Council holds formal hearings on the preliminary budget and conducts a series of workshops to examine the budget in detail during October and November. Final action on the budget usually occurs in late November or early December.

Final Budget

The final budget is issued as a formal published document in the same format as the preliminary budget, but as modified by the City Council. The actual appropriations implementing and amending the budget are contained in the budget ordinance by the City Council.

Amending the Budget

The budget can be amended at any time during the budget year. If the amendment consists of just the movement or adjustment of budget within a single fund without increasing or decreasing the budget grand total for that fund, it may be adjusted with just administrative approval.

However if the amendment changes the grand total for that fund or creates or deletes a fund, the amendment must be approved by the City council in the form a budget amendment ordinance.

2017 Budget Calendar

Budget Subcommittee Meeting	June 21, 2016
Budget Instructions to Department Heads	July 1, 2016
City Council Budget Study Session	July 12, 2016
Budget Revenue & Expenditure Estimates Filed w/City Clerk	July 29, 2016
Estimates Presented to City Administrator & Mayor	August 9, 2016
Budget Subcommittee Meeting	August 23, 2016
Department Heads Meet w/City Administrator & Mayor	August 29 - September 7, 2016
Budget Subcommittee Meeting	September 13, 2016
Budget Subcommittee Meeting	September 19, 2016
Estimated Revenues & Preliminary Budget Provided to Legislative Body	September 27, 2016
City Council Budget Study Session	September 27, 2016
Budget Subcommittee Meeting	October 11, 2016
Budget Subcommittee Meeting	October 25, 2016
City Council Budget Study Session	October 25, 2016
Notice of Public Hearing	October 28, 2016
Preliminary Budget and Budget Message Filed w/City Clerk	October 30, 2016
Copies of Preliminary Budget Made Available to the Public	October 30, 2016
Notice of Public Hearing	November 4, 2016
Public Hearing #1	November 8, 2016
(Property Tax Levy)	November 8, 2016
Budget Subcommittee Meeting	December 3, 2016
Final Public Hearing and Budget Adoption	December 13, 2016

Glossary

Accounting System: The set of records and procedures which are used to record, classify, and report information on the financial status and operations of an entity.

Accounts Payable: A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

Accounts Receivable: An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

Ad Valorem Taxes: Commonly referred to as property taxes, are levied on both real and personal property according to the property's valuation and the tax rate.

Advance Refunding Bonds: Bonds issued to retire an outstanding bond issue prior to the date on which the outstanding bonds become due or callable.

Agency Funds: A fund used to account for assets held by a government on behalf of individuals, private organizations, other governments, or funds.

Allocation: To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

Annual Budget: A budget applicable to a single fiscal year.

Appropriation: An authorization made by the City Council that allows expenditures of governmental resources for specific purposes. Appropriations are typically granted for a one year period.

Assessed Valuation: The estimated value of real and certain personal property used by the Snohomish County Assessor as the basis for levying property taxes.

Assessment Ratio: The ratio at which the tax rate is applied to the tax base.

Asset: Resources owned or held by a government that have monetary value.

Attrition: A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, retirement, or means other than layoffs.

Audit: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- * ascertain whether financial statements fairly present financial position and result of operations;
- * test whether transactions have been legally performed;
- * identify areas for possible improvements in accounting practices and procedures;
- * ascertain whether transactions have been recorded accurately and consistently; and
- * ascertain the stewardship of officials responsible for governmental resources.

Authorized Positions: Employee positions which are authorized in the proposed budget, to be filled during the year.

BARS: The prescribed "Budgeting Accounting & Reporting System" required for all governmental entities in the State of Washington.

Base Budget: Cost of continuing the existing levels of service in the current budget year.

Basis of Accounting: A term used to refer to when revenues, expenditures, expenses and transfers--and the related assets and liabilities--are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

Beginning Fund Balance: The amount remaining after accounting for the previous year's revenues less the previous year's expenditures.

Benefits: Benefits provided for employees, such as Social Security, retirement, worker's compensation, life insurance, and medical insurance.

Bond (Debt Instrument): A written promise to pay a specified sum of money (the face amount of the bond) at a specified future date (the maturity date), at a specified interest rate. Bonds are primarily used to finance capital facilities. The City of Lake Stevens typically issues general obligation, revenue, or special assessment bonds.

Bond Refinancing: The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Budget Ordinance: The official legal document approved by the City Council authorizing the expenditure of resources.

Budget: A plan of financial activity for the operation of a program or organization for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period.

Budget Calendar: The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

Budget Document: The official written statement prepared by the City explaining the proposed budget to the public and City Council.

Budget Message: A written explanation by the Mayor and City Administrator of the proposed budget. The budget message explains the principal budget and policy issues, and presents an overview of the budget recommendations.

Budgetary Basis: This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally take one of three forms: GAAP, cash, or modified accrual.

Budgetary Control: The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Capital Project: Major construction, acquisition, or renovation activities that add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.

Capital Outlay: Expenditures for furnishings, equipment, vehicles, or machinery that results in the acquisition of assets with a useful life of more than one year. Examples include land, buildings, machinery, equipment, and construction projects.

Capital Improvements Program (CIP): A plan or schedule for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long term needs.

Capital Assets: Assets of significant value and having a useful life of several years. Effect of inflation on compensation.

Capital Facilities Plan (CFP): This is a planning document required by the Growth Management Act which addresses capital projects and anticipated sources of funding over a six year period.

Cash Basis: A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Collective Bargaining Agreement: A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g., hours, working conditions, salary, benefits, and matters affecting welfare of employees).

Concurrent or Concurrency: The improvements that are in place at the time the impacts of development occur, or that the necessary financial commitments are in place. Public facilities and services shall be adequate to serve the development at the time the development is available for occupancy and use without decreasing current service levels below locally established minimum standards.

Consumer Price Index (CPI): A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services: Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.

Cost of living Adjustment (COLA): An increase in salaries to offset the adverse effect of inflation on compensation.

Costs Allocation: Assignment of applicable costs and charges from one fund to another required by treating each fund as an independent entity.

Councilmanic Bonds: Councilmanic bonds refer to bonds issued solely upon the approval of the Council. Councilmanic bonds may not exceed 1.5% of assessed valuation.

Debt: An obligation resulting from the borrowing of money or from the purchase of goods and services.

Debt Service Fund: A fund established to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.

Debt Service: The annual cost of paying principal and interest on borrowed money (bonded indebtedness) according to a predetermined payment schedule.

Dedicated Tax: A tax levied to support a specific government program or purpose

Deficit: The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Depreciation: Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Development Activity: Any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any change in the use of land, that creates additional demand and need for public facilities.

Development Related Fees: Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees, and zoning, platting and subdivision fees.

Disbursement: The expenditure of monies from an account.

Encumbrance: The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Enterprise Fund: An accounting entity of the City used to record and report transactions for business type activities of the City, e.g., Storm Water Fund.

Entitlements: Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the agency providing the monies, usually the state or the federal government.

Estimated Revenue: The amount of projected revenue to be collected during the fiscal year.

Expenditure: The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense: Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Fees: A general term for any charge for services levied by government associated with providing a service, permitting an activity, or imposing a fine or penalty. Major types of fees include business licenses, fines, and user charges.

Financial Forecast (Six Year): Estimates of future revenues and expenditures to help project the long range financial condition of City funds.

Fiscal Policy: A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year: A twelve month period designated as the operating year for accounting and budgeting purposes in an organization.

Full Time Equivalent (FTE): Expresses staffing in terms of full time (40 hours per week) employment. For example, a person who works 40 hours per week is described as 1.0 FTE. An employee who works 20 hours per week calculates to a 0.5 FTE (20 hours divided by 40 hours).

Full Faith and Credit: A pledge of a government's taxing power to repay debt obligations.

Function: A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).

Fund: An independent fiscal and accounting entity with revenues and expenses which are segregated for the purpose of carrying out a specific purpose or activity.

Fund Balance: The excess of a fund's assets over its liabilities.

GAAP: Generally Accepted Accounting Principles are standards used for accounting and reporting used for both private industry and governments. Government GAAP is currently set by the Governmental Accounting Standards Board.

GASB: Governmental Accountant Standards Board established in 1985 is the current standards-setting board for governmental GAAP.

General Obligation (G.O.) Bonds: Bonds for which the full faith and credit of the issuing government have been pledged for repayment.

Grants: A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

Growth Management Act (GMA): Comprehensive Washington State legislation which requires cities and counties to undergo a prescribed planning process to accommodate projected population growth. Examples of the planning process include defining the levels of service City government will provide to its Citizens, developing a six year capital facilities plan, and determining how to fund existing capital deficiencies.

Impact Fees: A fee assessed on new development that creates additional demand and need for public facilities.

Implicit Price Deflator: for personal consumption expenditures is a figure used to measure inflation, and it can impact how much property tax revenue a jurisdiction can collect in any year

Improvements: Buildings, structures, or attachments to land such as sidewalks, trees, tunnels, drains, and sewers.

Indirect Cost: A cost necessary for the functioning of the organization as a whole, but cannot be directly assigned to one service.

Inflation (Property Tax): Percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce by September 25th of the year before the taxes are payable

Infrastructure: The physical assets of a government (e.g., streets, water, sewer, public buildings and parks).

Interfund Payments: Expenditures made to other City funds for services rendered.

Interfund Transfers: The movement of monies between funds of the same governmental entity.

Intergovernmental Revenue: Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Interlocal Agreement: A contract between two government entities whereby one government assumes the lead responsibility of a project that overlaps both jurisdictions.

Internal Control: The system of controls established by the City to protect the assets from misappropriation and ensure accurate reporting of financial transactions.

Internal Service Fund: Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City.

Latecomer Fees: Fees paid by developers or future service users for their share of past improvements financed by others.

Lease Purchase Agreements: Contractual agreements which are termed "leases," but which in substance, amount to purchase contracts.

LEOFF: Law Enforcement Officers and Firefighters retirement system provided for all police officers and firefighters by the State of Washington.

Levy: (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessment or service charges imposed by a government.

Levy Rate: The rate of tax to be imposed on the assessed value of real property for the computation of property tax revenues

Liability: Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date.

Licenses and Permits: Revenue category that includes building permits, business licenses, and any other miscellaneous license.

LID: Local Improvement District or Special Assessments made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

Long term Debt: Debt with a maturity of more than one year after the date of issuance.

Materials and Supplies: Expendable materials and operating supplies necessary to conduct departmental operations.

Mill: The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed property valuation.

Miscellaneous Revenue: The account that provides for accumulation of revenues not specifically in other accounts.

Modified Accrual Basis: Under this accounting method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures for the most part are recognized when the related fund liability is incurred except for prepayment, accumulated employee leave, and long term debt. All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

Mitigation Fees: Contributions made by developers toward future improvements of City facilities resulting from the additional demand on the City's facilities generated from the development.

Net Budget: The legally proposed budget less all interfund transfers and interdepartmental charges.

Net Revenue: The revenue of the system less the cost of maintenance and operation of the system.

Object of Expenditure: An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt, and furniture.

Objective: Something to be accomplished in specific, well defined, and measurable terms and that is achievable within a specific time frame.

Obligations: Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Expense: Those costs including expenditures for salaries and wages, benefits, supplies, services, and charges which are necessary to support the primary services of the organization.

Operating Revenue: Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day to day services.

Operating Transfer: Routine or recurring transfers of asset between funds which support the normal operations of the recipient fund.

Ordinance: A piece of legislation enacted by a municipal authority.

Other Services and Charges: An expenditure classification which includes professional services, communication, travel, advertising, rentals, leases, insurance, public utility services, and repairs and maintenance.

Pay as you go Basis: A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

Performance Measurements: Data collected to determine how effective or efficient a program is in achieving its objectives.

PERS: Public Employees Retirement System provided by the State of Washington for all City employees except police and fire.

Preliminary Budget: The recommended and unapproved City budget submitted to the City Council and the public.

Prior Year Encumbrances: Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Program: A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

Public Facilities: The capital owned or operated by the City or other governmental entities.

Purpose: A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

R.C.W.: Revised Code of Washington

R.E.E.T.: (Real Estate Excise Tax) A tax upon the sale of real property from one person or company to another.

Reserve: An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution: A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources: Total dollars available for appropriations including estimated revenues, interfund transfers, and the beginning fund balance.

Revenue Bonds: Bonds issued pledging future revenues (i.e., sewer, or water charges) to cover debt payments.

Revenue: Income received by the City to support community services. This income may be in the form of taxes, fees, user charges, grants, fines, and interest.

Revenue Estimates: A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a fiscal year.

Service Indicator: A unit of work accomplished, without reference to the resources required to do the work (e.g., number of permits issued, number of grants obtained, or number of burglary arrests made). Service indicators do not reflect the effectiveness or efficiency of the work performed.

Source of Revenue: Revenues are classified according to their source or point of origin.

Special Assessment Bonds: Bonds payable from the proceeds of special assessments such as local improvement districts.

Standard Work Year: 2080 hours or 260 working days.

Supplemental Requests: Programs and services which departments have requested (in priority order) over their base budget, or if revenue received is greater than anticipated.

Supplemental Appropriation: An additional appropriation made by the governing body after the initial budget year or biennium has started.

Supplies: An expenditure classification for articles and commodities purchased for consumption or resale. Examples include office and operating supplies, fuel, power, water, gas, inventory, resale items, small tools, and equipment.

Tax: Charge levied by a government to finance services performed for the common benefit.

Unencumbered Balance: The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance: The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Charges: The payment of a fee for direct receipt of a public service by the party who benefits from the service.

Working Cash: Excess of readily available assets over current liabilities or cash on hand equivalents that may be used to satisfy cash flow needs.

Working Capital: The year-end balance of current assets less current liabilities in the Enterprise and Internal Service Funds. The unencumbered balance at year end is available for appropriation in the next year's budget.

Note: Not all terms included in the glossary are contained or used within the budget document but are included to provide a better understanding of general budget terms.